

PROMOTIONS IN THE REGULAR ARMY

Michael Charles Grenata to be captain, Corps of Engineers.
 Arthur Layton Cobb to be first lieutenant, Field Artillery.
 Benjamin Beckham Warriner to be lieutenant colonel,
 Medical Corps.

William Dey Herbert to be lieutenant colonel, Medical
 Corps.

Eugene Milburn to be lieutenant colonel, Dental Corps.

Lowell B. Wright to be lieutenant colonel, Dental Corps.

Harry Morton Deiber to be lieutenant colonel, Dental
 Corps.

James G. Morningstar to be lieutenant colonel, Dental
 Corps.

George Jefferson McMurtry to be chaplain with the rank
 of major.

APPOINTMENT IN THE OFFICERS' RESERVE CORPS

GENERAL OFFICER

Alvin Horace Hankins to be brigadier general.

PROMOTIONS IN THE NAVY

To be captain

Randall Jacobs.

To be lieutenant commanders

John W. Roper	Byron J. Connell
Franz O. Willenbuecher	Arthur Gavin
William N. Updegraff	Andrew Crinkley
William E. Clayton	George L. Compo
John H. Cassady	William J. Graham
Thomas W. Mather	

To be lieutenants

Howell C. Fish	Wayne N. Gamet
Thomas H. Templeton	Theodore J. Shultz
Edwin R. Wilkinson	Edward W. Young

To be surgeons

Charles G. Terrell
 Howell C. Johnston

To be paymasters

Francis L. Gaffney	John A. Fields
Russell D. Calkins	Dillon F. Zimmerman
Maurice M. Smith	

To be assistant naval constructors

Philip F. Wakeman	Oscar M. Browne, Jr.
Leslie E. Richardson	Robert E. Perkins
Howard R. Garner	Robert T. Sutherland, Jr.
Harold M. Heiser	Harry W. Englund
Stanley M. Alexander	Marvin H. Gluntz

To be chief carpenter

Harold S. Hamilton.

To be chief pay clerk

William F. Bogar.

HOUSE OF REPRESENTATIVES

SATURDAY, MAY 20, 1933

The House met at 11 o'clock a.m.

The Chaplain, Rev. James Shera Montgomery, D.D.,
 offered the following prayer:

Amid this sweet stillness, while we bow, Lord of mercy,
 hear us and forgive. As we live in Thy presence, so we live
 in Thy strength. Let this benediction of love supply a fresh
 reason why we should delight in Thee and acknowledge our
 daily blessings as Thy bountiful gifts. Heavenly Father,
 come with us; give us Thy guidance, that we may not indulge
 in intemperate speech or in pride or in willfulness. O keep
 our whole lives with large thoughts, fine emotions, and in
 fellowship with the things above. These blessings, dear
 Lord, will be a precious discipline against the day of fric-
 tion and in the hour of humiliation. Bless all of us with
 good health, with the joy and peace of a good life. Amen.

The Journal of the proceedings of yesterday was read and
 approved.

CONTROL OF OIL PRODUCTION

The SPEAKER laid before the House the following com-
 munication from the President of the United States:

THE WHITE HOUSE,

Washington, May 20, 1933.

MY DEAR MR. SPEAKER: As the Congress is doubtless aware,
 a serious situation confronts the oil-producing industry. Be-
 cause oil taken from the ground is a natural resource which
 once used cannot be replaced, it is of interest to the Nation
 that its production should be under reasonable control for
 the best interests of the present and future generations.

My administration for many weeks has been in conference
 with the Governors of the oil-producing States and with
 component parts of the industry, but it seems difficult, if not
 impossible, to bring order out of chaos only by State action.
 In fact, this is recognized by most of the Governors con-
 cerned.

There is a wide-spread demand for Federal legislation.
 May I request that this subject be given immediate attention
 by the appropriate committee or committees? The Secre-
 tary of the Interior stands ready to present any information
 or data desired.

May I suggest further that in order to save the time of
 the special session it might be possible to incorporate action
 relating to the oil industry with whatever action the Con-
 gress decides to take in regard to other industries; in other
 words, that consideration could be given at the same time
 that action is taken on the bills already introduced and now
 pending in committee.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

HON. HENRY T. RAINEY,

Speaker of the House of Representatives,

Washington, D.C.

Mr. MARLAND. Mr. Speaker, I ask unanimous consent
 to address the House for 10 minutes on the subject of oil.

The SPEAKER. Is there objection?

There was no objection.

Mr. BYRNS. Mr. Speaker, I have not objected to this re-
 quest, but I shall be compelled to object to any other request
 for time to discuss matters foreign to the two matters we
 have up today. We want to get through with this general
 debate today on the banking bill.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. SNELL. Does the gentleman expect to bring up the
 program he referred to yesterday?

Mr. BYRNS. Yes. The first matter under consideration
 will be the rule relating to the Agricultural Institute, and
 then it is expected that a rule relating to the banking bill
 will be taken up for consideration. We are very anxious to
 conclude the general debate on the last bill today, so that
 we can take it up under the 5-minute rule on Monday and
 complete it. I do not know that anybody is going to ask for
 time to speak, and I make this statement in advance. I shall
 be compelled to object to any further requests for time.

Mr. WOODRUM. Mr. Speaker, I call the gentleman's at-
 tention to the fact that yesterday it was tentatively agreed
 that my colleague should have permission to ask unanimous
 consent.

Mr. BYRNS. Oh, I have no objection to giving unani-
 mous consent in the case referred to, which I recall; but I
 shall object to anyone who desires to make a speech.

Mr. MARLAND. Mr. Speaker, I am presenting today a
 bill which is the result of many weeks of effort by the Gov-
 ernment and the oil industry to atone for the crime of the
 century, the despoliation of the oil fields of this country
 through the lack of technical knowledge of some and the
 greed of other producers, causing the waste of that great
 natural resource. Since the geology of petroleum has be-
 come better-known, the oil-producing States have recognized
 this waste and have passed conservation laws to protect their
 oil resources. The present Interstate Commerce Act inter-
 ferer with the proper operation of the State conservation

laws and permits the shipment in interstate commerce of oil produced in violation of those laws. The purpose of this bill is to aid and assist the oil-producing States in enforcing those laws intended to prevent both physical and economic waste.

The greatest problem confronting the petroleum industry today lies in the fact that, while the market demand for crude petroleum in the United States is very large, the State of California alone can produce the amount required; the State of Texas alone can produce the required amount; the State of Oklahoma alone can produce the required amount at the present time and for a short space of time. The resources of Venezuela, Rumania, Russia, and Iraq are each of them capable of satisfying this demand without any assistance from other fields.

Continued uncontrolled production will mean closing many fields in other States, destroying hundreds of thousands of small wells whose ultimate production will be greater than the total ultimate production of the 30,000 wells whose open flow is now destroying the market for the 300,000 older wells. These wells with settled production represent the most valuable known petroleum resources in the country and must not be destroyed.

To assist the States in carrying out the purpose of their conservation laws, Congress should authorize someone to act as umpire between these various States who after consultation with the authorities of the several oil-producing States might allocate to each of the oil-producing States its fair share of the general market, in this way protecting the correlative rights of the oil-producing States in the enjoyment of a common market. For the purpose of protecting our oil fields in this country, Congress must also limit the amount of oil that can be brought into our market from foreign countries.

No dictator is provided in this bill whose purpose is "to preserve and protect the correlative rights of the oil-producing States and to assist them in the proper enforcement of their oil-conservation laws." The Secretary of the Interior is given power to act in conjunction with State officials in order to protect these correlated rights.

After setting forth the emergency nature of this legislation and its limit to 2 years from the date of enactment, the bill declares that it is the policy of Congress to protect the Nation's oil supplies for present use and future necessities, for the national defense, and to prevent waste in their production and marketing in excess of the reasonable market demand or in violation of the laws of the producing State. This bill also declares it unlawful to deliver or receive for transportation in any manner any natural gas, petroleum, or petroleum products produced or withdrawn from storage in excess of the market demand determined by the Secretary of the Interior or in violation of any of the laws of the producing State.

No crude petroleum or its products may be imported, under this bill, into the United States without a certificate from the Secretary of the Interior stating that such crude petroleum or its products are imported in accordance with regulations concerning the market demand, provided that so long as the United States has the capacity to produce sufficient crude petroleum to supply the Nation's consumption demands and its export trade, the Secretary is directed to limit petroleum imports to the daily average during the last 6 months of 1932. Imports under bond for the purpose of exporting after processing or refining in this country are exempted from this provision.

Allocations to the oil-producing States of their equitable proportions of the total market demand are to be made by the Secretary of the Interior in order to protect the correlative rights of the oil-producing States. Where any State fails to accept the amount determined as its equitable proportion of the Nation's production, the Secretary is authorized to appoint an emergency committee, representative of the public interest in such State, to prorate equitably the State's production to pools, areas, or common sources of supply. In case such a committee cannot agree, the Secretary himself may establish these production allowables.

The Secretary is directed in order to prevent the premature abandonment of wells of settled production to establish a minimum price no less than the average costs of such wells and in determining when such abandonment would be premature is directed to take into consideration the interests of the purchasing and consuming public and the oil industry as a whole.

The investigation of any monopolistic practices, investigation of the feasibility of divorcing pipe lines from affiliated refineries or holding companies, devising practical means for attaining such divorce and initiation of rates and regulations on transportation and storage, the establishment of minimum rates of pay after conference with employers and employees, power to seek mandatory or other injunctions against violators, recommendations to the States that they enact uniform conservation laws, including control of drilling and producing, retention underground of crude petroleum whose production would be in excess of the market demand, equitable apportionment to owners of a common source of oil and authorization for unit operation are other provisions set forth in the bill.

A tax of 50 cents per barrel in addition to all other taxes is levied upon all petroleum produced in excess of the market demand as established by the Secretary. A tax of one fourth of a cent per barrel is levied upon all petroleum produced in accordance with the market demand, the proceeds of this tax to be used in providing funds to meet the expenses incurred in enforcement of the measure.

Fines from \$1,000 to \$5,000 with imprisonment of 1 year to 5 years are provided for individual violators of this act, while corporations violating it are to be subject to fines from \$5,000 to \$10,000 for each day of such violation.

The bill is the result of many weeks of work in the Interior Department, after the hearings held before the Secretary of the Interior, at which the Governors of the oil-producing States were represented, and after many consultations with oil men representing all branches of the industry. The bill was finally prepared by the Solicitor for the Interior Department and introduced by me yesterday at his request. It is intended to preserve the petroleum industry from total collapse. That industry is now losing at the rate of a million dollars a day in its various branches.

Mr. HASTINGS. Mr. Speaker, will the gentleman yield?

Mr. MARLAND. Yes.

Mr. HASTINGS. What is the average price of oil now in the Oklahoma-Texas field?

Mr. MARLAND. Oil is selling today in Texas, Oklahoma, and Kansas for 25 cents a barrel.

Mr. HASTINGS. The gentleman is an experienced oil man. About what does it cost to produce oil in that field and under those circumstances?

Mr. MARLAND. The average cost of production in the midcontinent field of the United States is figured at \$1.07 per barrel.

Mr. HASTINGS. So that there is a loss of 82 cents a barrel?

Mr. MARLAND. Yes.

Mr. FORD. Is that price paid for oil due to the fact that there is an overproduction or to the fact that the oil companies, the big crowd, own and control the pipe lines and can pay any price that they want to pay?

Mr. MARLAND. That is a double-barreled question. So far as overproduction is concerned, it is not the result of actual overproduction so much as it is the result of the threat of overproduction. As to the second part of the question, the pipe-line companies or their purchasing companies do post the price of oil and control the price of oil at the well. There are thousands of producing and refining companies in this country that will go to the wall this summer if Congress does not take some action at this special session to stop the racketeers and the bootleggers in the petroleum industry. The oil-producing States in the mid-continent field have passed sane, fair, well-considered legislation to conserve their oil resources, but those States are helpless to protect themselves against the racket of

unlawful production of oil and the shipment of that illegally produced oil in interstate commerce.

Mr. DUNN. Mr. Speaker, will the gentleman yield?

Mr. MARLAND. Yes.

Mr. DUNN. Does the gentleman know how much oil is shipped in from foreign countries at the present time?

Mr. MARLAND. At the present time approximately 150,000 barrels a day.

Mr. WEIDEMAN. Mr. Speaker, will the gentleman yield?

Mr. MARLAND. Yes.

Mr. WEIDEMAN. So that the Members may understand the terms the gentleman uses I wish he would tell us just whom he includes in the bootleggers and racketeers, so that we can follow his argument.

Mr. MARLAND. Any producer of oil, large or small, that produces oil in violation of the laws of the State in which he is producing. All of the racketeers are not small producers.

Mr. SNYDER. Will the gentleman yield?

Mr. MARLAND. I yield.

Mr. SNYDER. The gentleman spoke of the oil-producing States. Does he include Pennsylvania in that?

Mr. MARLAND. I do.

Mr. SNYDER. Does it cost more to produce oil in the State of Pennsylvania than it does in Oklahoma?

Mr. MARLAND. Undoubtedly.

Mr. SNYDER. Is it a higher grade oil and does it sell for more than it does in the gentleman's State?

Mr. MARLAND. Yes.

Mr. SNYDER. Is the racketeering going on in our State of Pennsylvania the same as in the gentleman's State?

Mr. MARLAND. I cannot speak advisedly on that. I think not.

Mr. SNYDER. Is there a sufficient duty on oil being shipped from foreign countries to prevent that shipment into the United States?

Mr. MARLAND. That question is not in this bill. I think the duty is not sufficient to protect the Pennsylvania oil fields.

The purpose of this bill is to aid and assist the oil-producing States in enforcing their conservation laws passed to prevent the waste of this irreplaceable natural resource. The people of the United States are widely interested in this subject. A continuation of uncontrolled production of oil in flush fields will mean the closing of 300,000 small wells in the United States. Those old small wells are a great national asset. The old wells of the State of Pennsylvania are a great asset to this Nation. The ultimate yield of oil from the 300,000 small wells in the United States will be vastly greater than the yield from the 30,000 or 50,000 flush wells in the United States. The small wells, therefore, must not be destroyed.

No one with knowledge of the subject can predict at this time, with any degree of certainty, the amount of our national petroleum resources, or how soon the time will come when every barrel from these small wells will be needed. Anyone versed in geology of petrolium will tell you that all wells in the United States at present existing will be incapable in 3 years from this time of producing an amount of oil sufficient to meet the then current demand. Of course, we will probably discover new fields before the exhaustion of these old wells, and I do not look for a shortage of oil for many years to come. But some day that shortage is coming, and this country should take steps immediately to preserve this great natural resource.

The bill I have introduced, as I say, is the result of the work of the Interior Department. It represents many weeks of earnest study and consultation. I hope it will be possible to hold hearings immediately on this bill and have it reported out for consideration and passage by this House during this special session. If that is not done, a great majority of corporations in the petroleum industry will fail before this summer is over and an irreplaceable natural resource will be lost.

Mr. BAILEY. Will the gentleman yield?

Mr. MARLAND. I yield.

Mr. BAILEY. I understood the gentleman to say that the purpose of this bill was to aid the State in conserving the oil?

Mr. MARLAND. That is right.

Mr. BAILEY. Is it not a fact that the purpose of this bill is to oppose the State of Texas in the exercise of its power to govern oil production in this State?

Mr. MARLAND. The purpose of this act is to protect the relative rights of the oil-producing States. The State of Texas needs protection itself from imports from Venezuela, Rumania, and Mesopotamia.

Mr. BAILEY. But it is a fact, is it not, that the oil industry is opposed to the order which the constituted authorities of the State of Texas have issued permitting production from the east Texas field?

Mr. MARLAND. The oil interests?

Mr. BAILEY. The oil industry and the oil men.

Mr. MARLAND. I think there are very few oil men who at this time seek to violate the orders of the Railway Commission of Texas.

Mr. BAILEY. But the gentleman did not answer my question. The order of the Railroad Commission of Texas permitted a total production of 750,000 barrels from east Texas. That is the thing which the oil industry is after suppressing, is it not?

The SPEAKER. The time of the gentleman from Oklahoma [Mr. MARLAND] has expired.

MARKETING OF APPLES AND PEARS

Mr. ROBERTSON. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H.R. 4812) to promote the foreign trade of the United States in apples and/or pears, to protect the reputation of American-grown apples and pears in foreign markets, to prevent deception or misrepresentation as to the quality of such products moving in foreign commerce, to provide for the commercial inspection of such products entering such commerce, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. ROBERTSON]?

Mr. BLANTON. Reserving the right to object, Mr. Speaker, why should a bill of this kind come up in this way out of order? I cannot understand the reason for it.

Mr. ROBERTSON. If the gentleman will permit me to explain, I will tell him why. This will be very helpful—

Mr. BLANTON. Has the President of the United States sent this bill here and asked that it be passed?

Mr. SCHULTE. Mr. Speaker, I object.

INTERNATIONAL INSTITUTE OF AGRICULTURE, ROME, ITALY

Mr. POU. Mr. Speaker, I call up the resolution, H.Res. 149.

The Clerk read as follows:

House Resolution 149

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 149, authorizing an annual appropriation for the expenses of participation by the United States in the International Institute of Agriculture at Rome, Italy, and all points of order are hereby waived. That after general debate, which shall be confined to the joint resolution and shall continue not to exceed 1 hour, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Foreign Affairs, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the joint resolution for amendment the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and the amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BLANTON. Mr. Speaker, this is a very important matter, and I make the point of order that there is not a quorum present. I think there should be a quorum present.

Mr. BYRNS. If the gentleman will reserve his point of order, I asked that the House meet at 11 o'clock today with the express promise to the House that we would take up these two rules and try to conclude general debate upon the banking bill. If the gentleman is going to make a point of order

of no quorum and take 30 or 40 minutes to call the roll, we will have to stay here that much later tonight.

Mr. BLANTON. I want to say to my friend that he knows he is my leader and I follow him, but I cannot follow him on something that is uneconomical and unsound.

Now, what is the use of debating an important matter like this with only about 120 Members present, when the ones now absent are going to have to vote on it after a while and will not know anything about what they are voting on?

Mr. BYRNS. Mr. Speaker, I am sure the Members will be here.

Mr. BLANTON. Mr. Speaker, the gentleman from Tennessee has a way of getting them here without a roll call, and with his assurance that he will get them here, I am content. So I am still following my leader and withdraw the point of no quorum.

Mr. KVALE. Mr. Speaker, will the gentleman yield for the submission of a unanimous-consent request?

Mr. POUL. Mr. Speaker, I yield for that purpose only.

CONGRESS—THE NATION'S SCAPEGOAT

Mr. KVALE. Mr. Speaker, I ask unanimous consent to extend my remarks by incorporating therein an article which appears in Scribners for June of this year entitled "Congress, the Nation's Scapegoat," written by a former Member of this House in defense of the House, Hon. F. H. LaGuardia.

Mr. MARTIN of Oregon. Mr. Speaker, I object.

Mr. BLANTON. I hope the gentleman from Oregon will not object.

Mr. KELLER. The article ought to be printed.

Mr. BLANTON. This is from our good friend LaGuardia, and is the first time a kind word has been said for Congress in a long time.

Mr. MARTIN of Oregon. What is the nature of the article?

Mr. KVALE. It is an article in defense of Congress and its procedure, showing the pressure that comes upon the Membership of this House from all kinds of agencies.

Mr. MARTIN of Oregon. I understand the RECORD is reserved for speeches of present Members, not past Members.

Mr. KVALE. I hope the gentleman will not object.

Mr. BLANTON. I hope the gentleman will let it go in. It is the first kind word Congress has had in a long time.

Mr. MARTIN of Oregon. Let me see the article. Mr. Speaker, I withdraw my objection.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KVALE. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following article written by F. H. LaGuardia, of New York:

It has been my lot for the past 20 years to come to the defense of the persecuted. Invariably that meant being in a minority. It would seem, therefore, in keeping with that record, that it is timely and proper for me to come now to the defense of Congress. Congress may not be half as good as I believe it to be—certainly it is not one tenth as bad as Wall Street says it is. The drive—and it was a drive—against Congress and the well-planned, systematic, organized attacks upon it were initiated by minority groups who for a long time had been the recipient of favored legislation, the beneficiaries of legalized exploitation, the promoters of inequitable laws. The abuse of and antagonism to Congress were started by the financial interests concentrated on the lower tip of Manhattan Island. They soon became contagious. The whole country for several months has been heaping abuse upon its own chosen representatives.

Only representative government is suitable to the American people. They are not adapted to any other kind of government. Countries that have never had or have been deprived of representative government have a full appreciation of the benefits and necessity of a Parliament or Congress. There has been great clamor recently on the part of moneyed interests for a dictatorship. Extraordinary powers granted to the President in our country can be only occasional and temporary. A dictatorship simply could not endure. Even though an American dictator were superhumanly perfect and infallibly wise, there would be no stability or continuity of rights. If a dictator is despotic, the masses will revolt; if he is unduly benevolent, the classes will resist. It is not benevolence that the American people seek, but the enforcement of legally established rights.

The framers of the Constitution might have failed in detailing the necessary regulation of an involved industrial system, which at the time did not exist and which was then beyond contempla-

tion. They did know human nature—the virtues and vices, the weaknesses and frailties of mankind. They provided as perfect a form of government as imperfect human beings could live under. They visualized an enormous population growth in this country and provided a form of government as nearly democratic as was possible in a country of extensive territory and for a nation of millions of people. Most reformers of economics are constitutional fundamentalists. Representative government is not suited to a small class who would own all the property and money and control the destinies of a country. Representative government controlled by the people will not indefinitely tolerate exploitation of the workers, concentration of wealth, and mass poverty. Economic security for all willing workers is a necessary concomitant with political freedom and individual liberty guaranteed by our Constitution. The Constitution created Congress. Its powers are well defined. Abuse of Congress is the privilege of every free American citizen. Criticism and abuse of a dictator would not be tolerated. Suppression of opinion is the first restriction the American people would feel.

Naturally, Congress has its faults. It often takes time to enact legislation. Long-drawn-out debates and discussions are the rule. An impartial review of the legislative history of this country will disclose that a great deal of vicious legislation has been defeated by what might at the time have seemed unduly protracted debates. It will also be seen that the greatest mistakes have been made when legislation was jammed through without proper and complete debates and discussion, under the pressure of unexpected emergencies. I fear some of the recently enacted legislation may prove that way.

Congress is a representative body. It is but natural that there should be every shade of thought and viewpoint in that body. That is what makes it representative. Every section of the country has its local interests. It is quite in keeping with proper representation to seek to reconcile, as far as is compatible, local interests with national legislation. Nothing short of complete hearings on all sides of a subject before committees, followed by full debate in the House and Senate, would enable final adjustment and compromise on legislation for a country of such magnitude and diversified interests as ours.

Lobbying has been going on from the first session of the first Congress. In all likelihood it will continue. There are different kinds of lobbying. Some are quite legitimate. Of the illegitimate lobbying I would say it has very little direct influence on Congress. Many State legislatures have enacted antilobbying laws when activities became too brazen and disreputable. At one time we had an epidemic of antilobbying bills pending in both Houses of Congress. I doubt if such laws really are effective. They do not hurt the faker and do not deter the rogue. A lobbying law will no more prevent lobbying than prohibition prevented drinking. The vicious lobbyist will always work under cover and he knows how and what contacts to make. Such lobbyists seldom make contacts directly with Members of Congress. So-called "big lobbyists" do not operate in Washington. Their approach is through the political boss back home. It is in this way that a legislator is very often "delivered." He may be entirely innocent, though not alert. If he is up to his job and legislates according to his judgment and conscience, nothing of the sort can be put over on him. A thoroughly honest but politically weak legislator who would indignantly spurn the suggestions of a lobbyist might willingly accept the ostensibly friendly advice of a political boss. Our political system is at fault—not Congress as a constitutional institution.

Many lobbyists receive big fees. Disclosures by a United States senatorial investigation committee some time ago revealed huge fees received by men whose names were not known to the vast majority of Members of the House and Senate. Their dealings were with the "big shots" of political parties. In the case of the sugar lobby—with the "very big shots."

Then there is the secret or implied obligations assumed by political parties. Just before election when resolution committees of political parties are formulating platforms, their financial committees are seeking contributions. It can safely be said that large contributions are generally given with the expectation of returns in some form or another. The big contributor to political campaigns makes it his business to see to it that his contribution is made through the right contact man. Perhaps nothing is said at the time the contribution is made. Later when legislation is pending that affects that contributor, the former acquaintance is renewed, the subject discussed, obligation recalled, and desired results obtained. This is true of both parties.

The control of national legislation by predatory interests began to slip after the ratification of the seventeenth amendment to the Constitution. The popular election of Senators made it difficult for special interests to control Congress. Since then these same interests which became powerful and rich through special legislation and for many years were able to check social, welfare, and progressive laws, commenced their attacks on Congress and have kept it up ever since. The attacks cease only during those periods when crises demand legislation. As soon as the legislation is obtained, the attack is renewed and a howl is heard for Congress to adjourn, go home, and "give business a chance."

Congress was directly blamed by members of the New York Stock Exchange in their circulars, letters, bulletins, and in paid advertisements for the decline of stock and security prices. Yet the greatest decline took place during the time that Congress was not in session. In the same breath in which the very men responsible for the bank crashes, security frauds, and tax evasions

were abusing Congress, it was necessary for the President to call a special session of Congress to provide relief for them. When Congress authorized the issuance of currency and provided emergency measures to meet the banking situation, it was all hall to Congress. At the moment of this writing, when Congress is struggling with farm relief, the same bankers, stockbrokers, bond mongers, and floor traders are shouting for Congress to adjourn and denouncing all farm-relief measures as demagogic, unsound, and disastrous.

The Government is no longer something mysterious, distant, and impersonal. A long period of public education has been slowly taking effect. Economic necessity has hastened the process. The people have learned that the Government is in their control. The people have learned that the Representative in the House is there to reflect the views of his neighbors back home and that their Senator is there to reflect the viewpoint of his State. They demand contact with their representatives and information as to the activities of Congress.

Recently there has been coined the phrase "organized minority." This phrase was coined by qualified experts who themselves actually are an organized minority. Much has been said about the power of minority groups and of the weakness of Congress in submitting to the demands of organized minorities. Veterans' legislation is constantly cited as an example of the power of an organized minority. When veterans' legislation was enacted, it was at the demand not of a minority group but of an overwhelming majority of the American people. When this majority abandoned the veterans or left the veterans to themselves and asked Congress to change existing laws in order to reduce expenditures for allowances theretofore authorized to veterans Congress responded immediately.

The actual situation of the so-called "organized minority of veterans" can be easily analyzed. It was not a minority. The average congressional district is composed of about nine counties. There are but 65 Members of the House out of 435 whose districts are entirely within city limits. It is true that the number of veterans of the World War constitutes but a small percentage of our entire population. Yet let us look at the situation. There are thousands of veterans' posts scattered throughout the United States. There are 5 or 6 national veterans' organizations and hundreds of local service organizations. These posts are in every city, town, and village in every county of every State. The veteran is not clannish—the organizations are not exclusive. Veterans are very active in their communities. "Nothing is too good for the veterans" was the slogan of the nonservice people and adopted as a national policy. The veterans' interest became the people's interest. During that period of 5 or 6 years when most of the veterans' legislation was enacted, everybody at home was for it. There were no protests. On the contrary, from every city, town, village, and hamlet came resolutions from patriotic, civic, social, fraternal, religious, and every other kind of organizations; yes, and from business associations, and also from boards of aldermen and town councils and city officials and even from State legislatures, urging the passage of the legislation for veterans which Congress was considering. It was not the result of the activities of a minority group at all—it was Congress in its representative capacity carrying out the almost unanimous demands of the American people.

Later, there came strong protests against the immediate cash payment of the bonus. The veterans were then in a minority and the cash bonus bill was defeated during the first session of the Seventy-second Congress. As long as public opinion remains against it, there will be no such legislation.

I have also heard it said that prohibition was brought about by an organized minority. I doubt that. The fight for prohibition had been going on in Congress for over 20 years. During that period State after State had adopted State-wide prohibition. Delegations from dry States voted for national prohibition. As the number of States in the dry column having State-wide prohibition increased, likewise the number of votes in the House and Senate increased, until the number grew to the necessary two-thirds vote. I know, for I was in a lonesome minority in the early days of my opposition to prohibition and my legislative efforts for the repeal of the eighteenth amendment. The change of national sentiment on prohibition was gradual. It took 10 years, five Congresses, from the time when I first exposed corruption, graft, waste of public funds, and even murder in the course of prohibition enforcement, when I was jeered and sneered at by the overwhelming majority of my colleagues in the House, to the time when the resolution calling for the repeal of the eighteenth amendment was passed with a safe majority over the necessary two-thirds vote, after only 40 minutes' discussion in that same House. It was necessary to undergo these years of trial before a large number of sincere American citizens who really believed in prohibition was convinced that as a national policy it was a failure and that as a national law it could not be enforced. When the majority of the American people realized that, their viewpoint was immediately reflected in the House of Representatives and in the United States Senate. It was not a wet minority group that brought about this change. There may be at this writing a wet minority group that will again become active in seeking to prevent proper supervision and regulation of the liquor traffic. That same minority might seek again to reinstate the liquor interests in politics and reestablish conditions of old. It cannot succeed. If it should be partially successful, public opinion of the majority would curb such activities and again the lid of prohibition would be clamped on.

The dwindling power of strong lobbies may be seen in the waning influence of the Manufacturers' Association. This association is a great organization composed of manufacturers throughout the country. In former times, when this organization or its predecessors made demands upon Congress, it generally got them. Its power is becoming less each year. It did have an isolated victory in the last tariff bill enacted in the Seventy-first Congress. That organization has written its last tariff bill. It could not now permanently block any piece of beneficial legislation. As a minority it is fighting national child labor laws. That fight is not over. The child-labor amendment to the Constitution will be eventually ratified in spite of the present setback. While I have heard the lobby of this organization severely criticized, its activities in Washington during the last 14 years have been within the realm of propriety as far as I have been able to observe. For many years it was able to defeat the anti-injunction law curbing the abuse of the Federal courts in labor disputes and ending the use of the so-called "yellow dog" contract. In 1932 when a bill was finally perfected upon which all elements of the labor movement agreed and lawyers were convinced of its constitutionality, all efforts of the Manufacturers' Association were futile.

A great deal has been said in metropolitan newspapers about the farm lobby and the farm bloc. The present plight of the farmers—and the lack of legislation favorable to them—is the complete proof that to date there has been no undue influence on Congress either by a farm bloc, farm groups, or any organized minority. Up to a few years ago concerted action by the farmers and their Representatives, owing to conflicting interests, seemed impossible. The politicians and the commodity exchanges skillfully utilized this conflict and for a long time were able to keep the farmers divided among themselves and the city Representatives aligned against all farm legislation. It would seem incredible to any student of economics that up to only a year or two ago Representatives from city districts opposed farm legislation on the ground that it would "increase the cost of living," these same Representatives and their predecessors for generations having sponsored high tariffs. Then again, along the fringe of every farm community there are the wholesalers, jobbers, and persons under the domination and control of city interests who thrive on the exploitation of the farmer. The worst enemies the farmers have had in the American Congress are the individuals here and there representing grain or cotton sections who, through their home connections, were in one way or another under the influence of the cotton exchange, the grain exchange, or the ticker broker.

The four great national farm organizations have enlarged and are constantly improving their organizations. While perhaps they might have taken active parts in bitterly contested local elections, from my observation the activities of their representatives in Washington have always been carried on with dignity, propriety, and I would say helpfulness to the legislator who wanted accurate facts. True, several farm relief bills have been passed; but it must be remembered that they have always been modified, weakened, and distorted through the selfish influence of the commodity exchanges, cotton and grain gamblers. A stabilization plan was first resisted and finally defeated by these influences. The cooperative-marketing plan never did have a fair trial. It was resisted, then emasculated, and finally passed. It could not be successful under the supervision of an administration following the Mellon school of economics.

Until the relation of the economic condition of the farmer to the country as a whole is understood by a majority of our people it will be impossible to restore prosperity. The farmers of our country have recently undergone a very liberal though costly education. They are no longer to be fooled. The professional politicians have lost control of them. It is to be hoped forever. If the commodity exchanges, along with the commodity gamblers, continue their ruinous policies of exploitation, there is grave danger that the farmers may take the situation in their own hands as they did a few months ago to preserve their homes against the greed of the usurers and the loan sharks. The farmers as such are in the minority as to population. It must not be forgotten that the majority of the population depends entirely for its food upon this minority. This unorganized minority must be reinforced by the thinking people of the cities. An understanding between railroad workers and farmers could in 24 hours tie up the food supply of this country. Is it fair that this important part of our population should be driven into a state of tenant peasantry, deprived of their homes, reduced to a low standard of living, and subjugated to abject misery because of the ruthless system of permitting a few parasites to gamble on the products of their toil? The farmers have had as a whole very splendid and loyal representation. These men were bucking an artificial system of distribution existing for scores of years and becoming progressively more vicious each year. Here and there a Representative from the farm districts would fall by the wayside.

I remember one who came from the Midwest as a great champion of the farmer and an exponent of farm legislation. What a voice he had. He was immediately recognized as a leader in the House. A charming personality and a forceful character, but alas, the boys from the Northeast soon saw the possibilities of this 250-pound legislator. My, my, how he was courted and taken into the folds of society. Before long as our friend would come into the reading room instead of stopping to look at the weather map to see how crops might be affected, he would make a wild dive for a metropolitan newspaper and turn to the stock-market reports. He is no longer in Congress.

When I say that organized labor has not influenced national legislation to any great extent, I know that such a statement will attract a howl of protest. Nevertheless, it is a fact. There is no better proof that Congress has not acted sufficiently or intelligently on behalf of labor than is the existing disastrous condition. Congress has met every year since the adoption of our present Constitution almost 150 years ago, during which time we have seen grow and develop a gigantic system of mechanized industry. Labor-saving devices have come upon us constantly with increased efficiency, so that now our industries can in 3 months produce more than the whole Nation can consume in 1 year. Industry is entirely mechanized and farming almost entirely industrialized. Yet, under an unpardonable misconception, Congress has permitted labor conditions to remain at a standstill while progress has been made in electricity, chemistry, mechanics, and transportation. It has been satisfied with the excuse that the Federal Government had no jurisdiction under a Constitution which was written and adopted at a time when railroads were unknown, steam not yet applied, electricity in the laboratory experimental stage, and manufacture limited to hand labor and man power.

Labor is also to blame. It was satisfied for many years to engage in local politics, and with this went along partisan allegiance and political control. In late years a most competent and able staff of legislative advisers has been brought together in Washington by the American Federation of Labor. The custom of rewarding local labor leaders with local political appointments in return for political support has been at a sacrifice to the cause of labor. But here, again, legislators have had a liberal, though costly, education through the sufferings of millions of people, through hundreds of thousands of bankruptcies and bank failures. It has finally been recognized by real leaders in thought that the only purchasing power of American industry is the American wage earner and the American farmer. During the period of gambling and speculation when the country was at the height of the stock-ticker prosperity, each year more workers were being laid off until the final crash came in 1929. When an inventory was taken, it was found that there were several million men and women unemployed. The number has increased ever since. It is now over 12,000,000. Industrial and economic conditions have woven our 48 States into one economic fabric. If the Constitution does not permit Congress to enact labor laws fixing the hours of labor in all States of the Union, providing for uniform factory regulations and supervision, minimum wage, inhibition against the employment of children (an interpretation which I will not concede), then the Constitution should have been amended long ago to permit such legislation. Perhaps someone may point to the 8-hour law and the recent Railway Labor Act as indicating national labor legislation. Correct, although both of these measures are but a tiny step in the right direction. The validity of these laws, as established by the Supreme Court, strengthens my belief that Congress, particularly in the face of a national crisis, could so legislate as to reconcile working conditions to our present mechanized mass-production system and bring about economic security to the producers of our country. In other words, adapt existing machinery to human beings instead of expecting 126,000,000 human beings to adapt themselves to machinery. We must distribute the blessings of science. We must equalize the enjoyment of progress.

Now, we come to the most peculiar and let me say the most effective form of lobbying in Washington. That lobby is not conducted by any private interest, but by two of the executive departments of the Government itself, that of the Army and Navy. It just cannot be beaten. The Navy had an effective lobby long before the Army even attempted to start its own in about 1920. I will not say that some of the complaints of the Army and Navy are not justified. For instance, the pay of the junior officers is wretchedly low. On the other hand, I will say that they invoke every possible influence to prevent legislation they consider inimical to their own interests. At creating public opinion by the subtle use of propaganda, the Navy is a past master. There is nothing they will not do from moving an entire fleet a thousand miles for the purpose of a spectacular entrance into a port at the time when legislation for additional ships is under consideration, to the turning over of the Naval Academy for the purpose of making a commercial film. Rest assured the Navy will get its message into that film while the company will take the profits from the box receipts.

The Army and Navy will play practical politics, too. A specific instance of politics might be seen in the consideration of the 1932 Army appropriation bill. Efforts were made to reduce the cost of the Army by eliminating a number of supernumerary and supernumerary officers. The Army put all of its resources to work and on a division vote in the House the amendment was defeated by a comparatively small margin. The entire Tammany delegation voted with the Army. Then, lo and behold, the Army and Navy Journal said:

"John F. Curry, the leader of Tammany Hall, paid a visit to Governors Island last week. This modest gentleman, who has risen by brains and integrity to the captaincy of the great political organization which rules New York, came and went unheralded. Commanders of the area have invited him to be their guest, but important business or social engagements prevented his acceptance. On this occasion, however, he went quietly to the island to see Capt. A. C. Purvis, whom he had had appointed to West Point. [Italics mine.] He has told his friends that he enjoyed himself, and we are glad he did so. Mr. Curry is a strong advocate of adequate national defense. He makes no secret of his

attitude nor of the fact that Tammany, under his leadership, is determined to uphold the policy of patriotism. It was that policy which, observed by the members of the society's delegation in Congress, defeated the destructive provisions by which Mr. COLLINS sought to hamstring national defense. To Mr. Curry and Tammany the country and the Army are heavily indebted." (Army and Navy Journal, May 21, 1932.)

Brains and integrity!

As if this were not enough, there appears in the issue of July 16, 1932:

"The power and independence and patriotism of that great organization known as 'Tammany' were never better illustrated than in the matter of the officers' cut. * * * It is possible to attribute this solidarity largely to the attitude of that brilliant leader, John F. Curry. * * * The Army is grateful to Mr. Curry and the Tammany representatives in the Senate and House."

This a few weeks after Judge Samuel Seabury submitted his report on the Tammany administration.

The Washington social lobby is perhaps the most insidious. Its technique is awkward, its purpose apparent. It, too, is fast losing its influence. For a time during the "cocktail era" it looked as if the social lobby were in the ascendancy and would again come into its own. Economic conditions, however, have made the people back home too alert and the social lobby is again on the decline. There is nothing the social lobby will not do to influence legislation upon subjects ranging from a special schedule in a tariff bill to the lowering of an income tax, or the restoration of the dress uniform of the United States marines. It is ever ready to wile the doubtful, entertain the weak, lionize the prominent, and cater to the influential. Sometimes there are strange results of this mixture of the social and political. Only recently at the home of one of Washington's most influential dowagers, a home that has entertained lavishly and often for many years, where many bills were put across, over demi-tasse and cigarettes, a supposedly prominent Senator from a small Eastern State was the "ranking guest." That in the parlance of the Washington parvenu means the guest of honor. The Senator was chairman of a subcommittee, having a certain bill under consideration and giving that bill the pigeon-hole treatment of slow, painless, but certain death. The Senator accepted the invitation. The right ones were invited to give the Senator the social works. Well, it so happened that at the time that particular subcommittee had several important bills before it and the chairman was much in demand. He stopped at other "conferences" before going to the affair of the evening.

The Senator was in good fettle. He displayed his most gracious and courtly manners. An invitation from this particular hostess was the certificate absolute that "one had arrived socially." "He likes it," murmured the wise ones. Dinner was announced. The "ranking guest", of course, sat at the hostess' right. The hors d'œuvres were served and the Senator was quite talkative. The soup was served and the Senator became most loquacious. Then the Senator became quite friendly, and real clubby. Placing his arms around the shoulders of his hostess he prepared to tell one of the latest and choicest of cloakroom stories. The hostess was embarrassed, the "wise ones" startled, the young ones snickered, the butler grunted, but everyone maintained dignity. Washington always does.

Congress is not faultless, it has its defects and shortcomings. It is representative of the American people. Congressional government may be at times inefficient and often wasteful. Many forms of government may be thought of as more efficient and less costly, but they are not American. Mistakes are made, experiments are tried. As mistakes are discovered and experiments proved failures, correction is rapid and certain. The Membership of Congress is human, and fortunately has a sense of humor. It is the constant target for ridicule and abuse which it has learned to absorb quickly and good naturedly. It is the people's government and it will always be as alert, as intelligent, and as constructive as the people themselves.

INTERNATIONAL AGRICULTURE INSTITUTE, ROME, ITALY

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 149, authorizing an annual appropriation for the expenses of participation by the United States in the International Institute of Agriculture at Rome, Italy, and all points of order are hereby waived. That after general debate, which shall be confined to the joint resolution and shall continue not to exceed 1 hour, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Foreign Affairs, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the joint resolution for amendment the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and the amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. WOODRUM. Mr. Speaker, the gentleman from Indiana has very kindly consented to yield for consideration of the little bill called up by the gentleman from Virginia.

Mr. SCHULTE. No; I did not. I beg the gentleman's pardon.

Mr. WOODRUM. I misunderstood the gentleman.

Mr. SCHULTE. I said to wait until we discussed some of these other matters.

Mr. WOODRUM. I misunderstood the gentleman.

Mr. POUL. Mr. Speaker, before I proceed may I say to my colleague from Pennsylvania that we do not apprehend that we will use very much of the half hour on this side, but I will yield to the gentleman the usual half hour to be used by him as he may see fit.

Mr. Speaker, this resolution provides for the consideration of House Joint Resolution 149, authorizing an annual appropriation for the expenses of participation by the United States in the International Institute of Agriculture at Rome, Italy.

I am informed that the International Institute of Agriculture is a sort of world clearing house for statistical information affecting agriculture throughout the world.

The resolution provides for general debate not to exceed 1 hour, which must be confined to the resolution; and the resolution is open to amendment under the general rules of the House.

Mr. SNELL. Mr. Speaker, will the gentleman yield for a question?

Mr. POUL. I yield.

Mr. SNELL. As I understand the situation, we have not appropriated for, and have not been a member of, this conference for several years, have we?

Mr. POUL. I think that is true.

Mr. SNELL. Have any dire results come about by reason of our not being a member?

Mr. BLOOM. Mr. Speaker, will the gentleman yield that I may reply to the inquiry of the gentleman from New York?

Mr. POUL. I yield.

Mr. BLOOM. We have always been a member of this Institute. We are a member at the present time. We have been appropriating money right along, but in the last 2 years we have not been appropriating as much as we did previously.

Mr. SNELL. Has it only been the last 2 years that we have not been appropriating?

Mr. BLOOM. We reduced the appropriation 2 years ago. If the gentleman is interested, and cares to have them, the figures are these:

In 1928 we appropriated \$54,340. In 1929, \$58,000. In 1931 we reduced the appropriation to \$15,260. In 1932 we reduced the appropriation to \$11,060. However, we have always been in; we have never been out.

Mr. SNELL. Have we had a representative there, and have we really gotten any benefits from this conference?

Mr. BLOOM. Yes, we have secured a great deal of benefit; and it is on account of lack of information in the last 2 years similar to that received by the Government right along theretofore that they want to go back in. We have been in since 1906, and had been in 100 percent up to 1928. Then certain things happened and we had to step out.

Mr. SNELL. What are those certain things?

Mr. BLOOM. It was regarding certain management over there at the time, certain officials. That has been changed at the request of the Government.

Mr. SNELL. Why should an agricultural conference be called in Italy?

Mr. BLOOM. As soon as I get the floor in consideration of the bill I shall be pleased to explain.

Mr. LEHLBACH. Mr. Speaker, will the gentleman yield for a question to the gentleman from New York?

Mr. POUL. I yield.

Mr. LEHLBACH. Is not the only change sought to be made in existing law by the bill which is to be made in order by this rule the creation of a \$7,000 job in Italy?

Mr. BLOOM. No.

Mr. LEHLBACH. What other change from existing law is there?

Mr. BLOOM. The change is that the party who was the representative of the United States in Italy heretofore,

receiving a salary of \$5,000 a year, was a very wealthy man, and he was spending the additional sum of money that was necessary out of his own pocket. To secure the services of the proper kind of representative over there the Secretary of Agriculture states we ought to have at least a \$7,500 a year man.

Mr. SNELL. Will the gentleman give me the right to appoint a \$5,000 man who will do the job?

Mr. LEHLBACH. With the permission of the gentleman from North Carolina, may I ask one further question of the gentleman from New York?

Mr. POUL. I yield for one more question.

Mr. BLOOM. I shall be very pleased to explain the entire matter at the time I have the floor.

Mr. LEHLBACH. I simply want to ask one more question.

Mr. BLOOM. I have not the floor at this time.

Mr. LEHLBACH. If the gentleman refuses to explain the bill, well and good, but we want to know it.

Mr. BLOOM. I have not the floor.

Mr. POUL. Mr. Speaker, I should prefer not to attempt to answer questions respecting the merits of this joint resolution, because the 1 hour of general debate will be devoted to a discussion of the merits.

The Committee on Foreign Affairs has asked for the rule providing for the consideration of Joint Resolution 149. The Secretary of State approves the passage of the resolution.

This institution is a great clearing house of statistical information, and it looks a little bit cheap for the United States of America to refuse to participate.

Mr. Speaker, I reserve the remainder of my time and yield 10 minutes to the gentleman from Iowa [Mr. WEARIN], who has had experience with this Institute and will give the House first-hand information.

Mr. WEARIN. Mr. Speaker, I am not going to take very much time this morning, but I did listen with a good deal of interest to the remarks that were made yesterday concerning this project, and I will be frank in saying I do not think it should degenerate into a petty quarrel here on the floor of the House on the part of anyone. I happen to have had a little first-hand experience with this particular project as related to the various nations of the world some time ago.

I may say also in answer, probably, to a premeditated question, that I was not over in Europe at the expense of the Federal Government, either. I was over there on my own hook. I was over there for the purpose of securing information, which I was able to secure partly through the agency and the assistance of the International Institute of Agriculture.

The question was asked a moment ago by the distinguished leader of the minority as to why this agricultural conference should be held in Rome or why it is located there. There is a reason for this. The institute was founded back about 1905 by a certain David Lubin, of California. He had previously urged upon the United States that the institution be established in Washington under the supervision and with the assistance of the distinguished Secretary of Agriculture from my State, Tamm Jim Wilson, but the United States did not see fit to set it up at that time. However, the King of Italy, King Victor Emmanuel, did see some advantages in the establishment of an institution of this kind, and under his auspices and with his assistance David Lubin brought into being the International Institute of Agriculture, in Rome.

I am making these statements simply because I think the House should have a little information on this subject before they vote on it. Whether you vote for it or against it is your privilege, but you ought to know something about the International Institute of Agriculture.

Now, what is it doing? It is not a junket. It is not sending somebody over there on a summer vacation. I would not go over to Italy and live in Rome and be the representative of the United States Government at the International Institute of Agriculture for \$15,000 a year, but I will say that I think we ought to have a man over there; and if we can

get him to go over there, we should participate in this organization because it is valuable from a lot of standpoints.

In the first place, it is gathering some information that is more valuable to individual farmers than the average farmer realizes. I am living on an Iowa farm, and consequently I feel I speak with a little authority and a little interest in this project. I want to say to you that they are gathering information of an extremely valuable nature. No Member of this House, I dare say, realizes that much of our present farm-loan system in the United States was drawn from observations of David Lubin from the experiences of other countries through the agency of the International Institute of Agriculture.

Mr. GREEN. Will the gentleman yield?

Mr. WEARIN. Not until I have finished my statement.

Another very interesting development with respect to this particular project is the matter of trade relations and the movement of products. This institution is interested in gathering information upon the amount of farm products that are being produced in certain countries and determining where they can be transported for the purpose of disposing of surpluses. In other words, people who are interested in the domestic allotment bill on the floor of this House ought to be interested in this institution for the reason they are working in the same general direction.

I am not authorized to speak for the President of the United States, and I would not attempt to do so; but I will venture the suggestion upon my own authority that it may be possible Mr. Roosevelt is looking upon the International Institute of Agriculture with the thought he can use it in his program of developing our reciprocal trade relations with the rest of the world.

I think that is possible. Now, another very valuable contribution that is of interest to many is the matter of the discovery of diseases dangerous to agricultural products, and the prevention of the movement of these diseases from one country into another, and the means to prevent it.

Now, I cannot but feel, Members of the House, that the problem of agriculture—and I speak, as I say, from the standpoint of one interested in agriculture on the basis of being a farmer—I cannot help but feel that agriculture is a problem of international importance and that we are never going to be able to solve it solely in the United States—that it is going to be solved only through the readjustment of trade relations with the rest of the world, and through an agency of this kind. Now I will yield to the gentleman from Florida.

Mr. GREEN. We have trade commissioners representing the Government in different countries, and it seems that they could get the information that may be promulgated there. And further than that, if the information is worth while, it seems to me that we could save this \$40,000 that we are going to put out for this purpose.

Mr. WEARIN. I am glad the gentleman has asked that question. It shows that Members do not realize the value of the information that is compiled. David Lubin discovered in his researches that the information gathered on the part of representatives of foreign countries in relation to agriculture was entirely inadequate; that it did not go into the subject thoroughly.

Mr. RANKIN. Will the gentleman yield?

Mr. WEARIN. I yield.

Mr. RANKIN. If we had had this institution in operation gathering information, would it not have saved the spending of millions of dollars in the fight against the Mediterranean fruit fly in Florida?

Mr. WEARIN. The gentleman is correct.

Mr. RANKIN. We have the world honeycombed with commercial attachés. It seems to me that if we are going to send commercial attachés all over the world to represent the manufacturing interests we can afford to give agriculture this small amount of assistance.

Mr. WEARIN. Yes; for the interests of agriculture.

I want to answer further the gentleman from Florida [Mr. GREEN], who asked whether or not we can gather the information through other sources than the Institute of

Agriculture in Rome. The Institute of Agriculture is not a political organization.

Mr. MOTT. Will the gentleman yield?

Mr. WEARIN. I yield.

Mr. MOTT. While we were spending millions of dollars fighting the Mediterranean fruit fly we were participating in this institute at Rome.

Mr. WEARIN. In the beginning; but since then this institution has been developed to a greater extent, and today the organization represents 95 percent of the population of the world.

Mr. MOTT. One other question: In subdivision 3, page 2, there is an item of rent. Is that for rent of the officer who is to draw the \$7,500 salary?

Mr. BLOOM. No.

Mr. MOTT. The gentleman stated one specific thing, and that was for the investigation of various pests. Will the gentleman mention any other specific thing that the Institute does? Would the gentleman care to be specific as to the various things which this Institute does?

Mr. WEARIN. I will be able to do that if I can get the time.

Mr. POU. Mr. Speaker, I yield the gentleman 10 minutes additional.

Mr. WEARIN. I want to take just a moment's time in reading the following statement. This particular institution that is devoting itself to agricultural research in Rome is accomplishing a good many things, and I made some notations of them in this book that I think are interesting. For example:

The aim of the international organization that concerns itself with the basic industry of agriculture is evident when it assembles the nations of the world for the consideration of a peaceful pursuit.

That in itself is an important item.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. WEARIN. Yes.

Mr. MOTT. If the gentleman will just name the things that this institution does, specifically, I think he will give us all the information that we want. The general data that the gentleman just read does not do us any good.

Mr. BLOOM. Mr. Speaker, will the gentleman yield?

Mr. WEARIN. Yes.

Mr. BLOOM. What is the book the gentleman is reading from?

Mr. WEARIN. That is my own volume.

Mr. BLOOM. I wanted the gentleman to inform the House that this is his own volume from which he is reading—a book written about this institution.

Mr. WEARIN. That is correct. I wrote it while there in Rome going into the details of this organization.

Mr. BLOOM. Just one more question. Would the gentleman at the same time kindly explain to the House the kind of building this organization occupies in Rome, the library, and the workings of the organization which have been going on since 1906.

Mr. BULWINKLE. Mr. Speaker, will the gentleman yield?

Mr. WEARIN. I want first to answer the two questions on my left and clear that up. I will discuss Mr. Bloom's question in a moment—I want to complete the statement that this organization is important from the standpoint of world peace, because it is not a political organization. Getting to specific matters, as the gentleman requested, I find in a report from that particular organization the following statement made by Mr. Asher Hobson, with whom I happen to have had personal acquaintance some time ago when I was in Rome.

One of the primary duties of the Institute is the rapid collection, compilation, and dissemination of information concerning acreage sown, crop conditions, and harvest yields pertaining to the principal farm products in the world.

I think that indicates without a doubt that it is of the utmost importance in developing international trade.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. WEARIN. Yes.

Mr. SNELL. From what book is the gentleman quoting now?

Mr. WEARIN. I am reading from a report on the International Institute of Agriculture, written by Asher Hobson, published in 1931. In answer to the question of the gentleman from New York [Mr. BLOOM], concerning the building and equipment of the Institute over there, in my limited experience in traveling through western Europe and also through the United States from coast to coast, I have seen only one other building that surpasses it in excellence; that is the building put up by the Carnegie Institution at The Hague for the housing of the World Court. Somebody may be about to get up and say, "Do you mean to tell me that the United States has been paying for that building?" The answer is no; absolutely no. The building was put up entirely through a donation on the part of King Victor Emmanuel of Italy, who at the same time set up an endowment fund that yields approximately 300,000 lire annually in support of the institution. We could not possibly participate for the sum stated in this joint resolution if it were not for that fact.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. WEARIN. Yes.

Mr. HOPE. Can the gentleman tell us what proportion of the total expenditure for this purpose is expected to be contributed by the United States; that is, in percentages?

Mr. WEARIN. I shall have to ask the chairman of the committee to answer that question. The purpose I have in addressing the House at the present time is to explain the actual conditions surrounding the organization.

Mr. GLOVER. Mr. Speaker, will the gentleman yield?

Mr. WEARIN. Not until I have completed the answer to Mr. BLOOM's question. The gentleman from New York asked me to explain something about the library at the International Institute of Agriculture. It is composed of approximately 185,000 volumes that have been gathered, some of which have never before been assembled in a public library for the use of the general public. I have had my hands on them and used them.

Mr. BULWINKLE. Mr. Speaker, will the gentleman yield?

Mr. WEARIN. Yes.

Mr. BULWINKLE. I should like the gentleman to tell the House what knowledge has been disseminated to the United States Department of Agriculture by this Institute which they did not already know.

Mr. WEARIN. I shall be very glad to answer the gentleman's question, though I hate to take up so much time of the House in going into these details.

Mr. MOTT. Before the gentleman goes on with that question, will he state whether in his opinion he has fully answered my question?

Mr. WEARIN. I think so. In answer to the question of the gentleman from North Carolina, much of the information on the diseases of foreign plants had not been discovered until it was reported to the Department of Agriculture by the International Institute at Rome. Does that answer the gentleman's question?

Mr. GLOVER. Mr. Speaker, will the gentleman yield?

Mr. WEARIN. Yes.

Mr. GLOVER. The joint resolution here proposes to appropriate—

Mr. WEARIN. Just one moment. If the gentleman wants to discuss the details of the joint resolution, I want him to discuss them with the chairman of the committee. Is that the gentleman's question?

Mr. GLOVER. I am asking the gentleman why this appropriation is to be made annually; that is, forever hereafter.

Mr. WEARIN. There is no appropriation made in this resolution at all, as I understand it. I will ask the chairman of the committee to answer that question when I finish.

In conclusion, I simply want to state as one who is very much interested in this Institute, not from the standpoint of being interested in going over there at the expense of the Government, because I would not go if you would bring me a commission on a silver platter, but I do think the House

should know that this Institute of Agriculture is an important factor in the development of the international program of trade relations as far as the United States Government is concerned. It is a valuable link in the chain of our tariff and international-trade program in which we are all so interested at the present time. [Applause.]

The SPEAKER. The time of the gentleman from Iowa [Mr. WEARIN] has again expired.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Mr. Speaker, I do not intend to use 5 minutes, because I want to make a very simple statement. This institution has been going on for many years and we have been a member of it. We have continually been a member of it and are a member of it today and appropriate for our share of its maintenance. The information that is gathered and disseminated by the Institute is available to us whether we have a resident secretary there or not. We are getting it today and have been getting it.

Mr. WEARIN. Will the gentleman yield?

Mr. LEHLBACH. Yes; I will yield.

Mr. WEARIN. I should like to make the statement to the gentleman that I think he is mistaken. I have reliable information that we have endeavored in the last year or two, while we have not been a member of the International Institute of Agriculture, to get a statement from them concerning certain things in which we were interested and that was refused because we were not an active member.

Mr. LEHLBACH. But we were a member.

Mr. WEARIN. We are not an active member or a participating member of the organization.

Mr. LEHLBACH. Are we not paying \$35,000 a year for our membership?

Mr. BLOOM. If I may answer the gentleman, no; we are not paying anything now. We are paying about \$4,000 a year now. In other words, we are sneaking in under the tent. Whatever we are getting out of it we are not paying for.

Mr. LEHLBACH. This would not change our membership. We are a member and are entitled to all the information they have to disseminate. The only difference in our status as a member of this Institute, sought by this law, is to have a man in Italy at a cost of \$7,500 salary and \$5,500 living expenses, and so forth. If they can show us where we will benefit \$13,000 or \$13 worth by sending somebody over there to this sinecure, I should like to know it.

Mr. BLOOM. Will the gentleman yield?

Mr. LEHLBACH. I yield.

Mr. BLOOM. By treaty we are supposed to pay 190,000 francs. Before the depreciation in value we were paying practically the same equivalent, but afterward we increased it. Now we are bound to pay the same as all other first-class countries, the same as Argentina, Brazil, China, Germany, and so on. We would pay \$37,000 for our fee or our part of the share of the expense of running this institution. That is not for rent or anything else. The only other two expenses that come out of that would be the salary of our representative and \$5,500 for all other expenses; not a dollar more. There is no traveling; there is no junketing; there is no nothing else in this. It is \$37,000, according to our treaty agreement, that we are supposed to pay as a member of this Institute, the salary—whether it is \$5,000 or \$7,500, and \$5,500 for all expenses. That is the whole thing.

Mr. LEHLBACH. Well, that is it. We do not need that man over there.

Mr. BLOOM. Well, we do need him.

Mr. LEHLBACH. We had a man over there, as the gentleman from New York stated, to whom we paid \$5,000 a year. Several years ago he quit and the job lapsed. This is to recreate that job with an increase of salary to \$7,500.

Mr. TABER. Will the gentleman yield for a question?

Mr. LEHLBACH. I yield.

Mr. TABER. I have been following this thing, trying to find out where the Government of the United States or the people of the United States got any good out of it. Where do we get it?

Mr. LEHLBACH. Oh, this Institute has available and gathered from all over its member nations, which is the greater part of the earth, information as to crop production, quantity production, crop movements, and information of that kind, which is collated at the Institute and disseminated among the member nations. We would get that without anybody over there just as easily as not.

Mr. HASTINGS. Will the gentleman yield?

Mr. LEHLBACH. I yield.

Mr. HASTINGS. Suppose all other countries refused to participate along with us, then where would there be any information for dissemination all over the world?

Mr. LEHLBACH. But we have not refused. Everything the Department of Agriculture has is available to any member nation that is a member of that institute, and other nations treat us the same way.

Mr. BLOOM. Will the gentleman yield?

Mr. LEHLBACH. Yes; I yield.

Mr. BLOOM. Is it the gentleman's thought or idea that the United States should continue to ask for and receive the information from this institution that it has been receiving up to 3 or 4 years ago, and ask and get all this without paying their fee, their share of the running expenses of this institution in Rome? Would the gentleman want the United States to do that?

[Here the gavel fell.]

Mr. LEHLBACH. That is a double question which is not answerable by "yes" or "no."

The SPEAKER. The time of the gentleman from New Jersey has expired.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I voted against a resolution practically identical with this one when it came up in the Committee on Foreign Affairs under the recent Republican administration.

When the present resolution was considered by the committee a few weeks ago, I took no part on the final roll call because I was not convinced the expenditure of this money is necessary or that it will help agriculture. What worries me about this resolution is whether we have a commitment. If we have a commitment to pay our quota as a member of this International Institute of Agriculture at Rome, then I believe in keeping faith with those who have made the commitment for us. But in the consideration of this resolution, we, on our side of the House, propose to offer two amendments; and I may say, for one, if these amendments are accepted, I shall not oppose the resolution.

The first amendment to be offered will be to eliminate the word "annually."

This resolution provides some \$48,000 to be appropriated annually. This means permanently, for all time, so to speak. It is not at all necessary. It is not in accordance with general procedure and practice. If we want to try this out, if we want to experiment with it and see if it is of any good to agriculture, we should appropriate the \$48,000 only for this year by striking out the word "annually." Then, at the end of the year, if it is worth while, we can continue it. We have not been paying any such sum for the last 6 years. Since 1928 we have been paying in paper francs, or a very much less sum, amounting to about \$5,000 a year. We are now called upon to pay in gold francs which increases the payment this year to about \$38,000 as our quota. I should like to know if all the other nations are also paying on the basis of gold francs. The other amendment is one which will be presented by my colleague from Illinois [Mr. ALLEN], a member of the committee, to reduce the salary of the commissioner from \$7,500, as provided in the resolution, to \$5,000. That was the sum recommended under the Republican administration by Secretary of State Stimson, and I think a good many on this side feel it is ample to provide for such a commissioner as long as he does not live at the Grand Hotel in Rome, or one of the expensive hotels there.

In addition, \$5,000 is carried in this resolution for quarters, traveling expenses, clerical help, and so forth. We do not

oppose this sum. We, however, do not believe that it is necessary in these days to increase the salary of this Commissioner by 50 percent when Congress is reducing the pension, benefits, and compensation of war veterans and cutting the pay of even the members of the State Department and of about 1,000,000 Civil Service employees. It is utterly inconsistent to ask for a 50 percent increase for this Commissioner in these days of economy and unemployment.

These are the two amendments that we expect will be offered on this side. I am inclined to think—although there is some opposition to the whole resolution—that if these amendments are adopted, a good many Members on this side will go along with the bill unless there are some new developments. If, when we go back into the House after considering the resolution in the committee, a motion to recommit is made, which will be in order, I hope, in view of the fact that many Members are absent, that the vote will be postponed until Monday.

This is all I want to say at this time on the resolution in regard to the two proposed amendments. I am not convinced at all from the hearings that this international institute will help agriculture. I rather believe, on the other hand, that the State Department, with its representatives and consulates in every country, can get all the information desired without belonging to the International Institute of Agriculture at Rome.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. SNELL. Information has come from the administration that they were going to bring home from Europe several hundred people we have had over there roaming around getting information. In view of this statement, ought we to have another commission to go over there and get information?

Mr. FISH. I may say to the gentleman from New York that the gentlewoman from Massachusetts [Mrs. ROGERS], who will speak in a few minutes, will present those figures to the House. There are some 300 or 400 who will be recalled, yet here it is proposed to send over to Rome another commissioner at a salary of \$7,500 with an additional sum for quarters and traveling expenses.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am very sorry to go against my chairman, the Chairman of the Foreign Affairs Committee, because no one ever had a finer, more courteous, more cooperative chairman, but I must. In the first place, I cannot see why this legislation is necessary. I think the President has the power to appoint this man if he wishes to without further authority.

I am terribly tired of the policy of the administration of robbing Peter to pay Paul. [Applause.] They are doing it every day.

Mr. BLOOM. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I am very sorry I cannot yield. I have only a few minutes and I want to bring out some facts with reference to the number of the personnel the administration intends to recall from our Foreign Service.

Our disabled veterans are being robbed every day, having their compensation cut, without a hearing. They are not even allowed to present their cases or prove the service-connected nature of their disabilities while large appropriations are voted for other purposes.

I have here a list showing the number of agricultural and trade commissioners we have abroad roaming about in foreign countries getting the very information this member of the Agricultural Institute could get. There are 19 of them. Their salaries, I am told, average \$5,000 a year.

Their salaries total \$82,450—this after the cut of 15 percent. They also receive commutation of quarters, light, and heat, which amounts to a total of \$12,570. This last amount has been reduced 50 percent this last year. The figure given is that after the reduction was made.

Probably one of these men will be dismissed owing to the cuts in every department, and this other man will receive not only the pay he is now receiving but an added \$2,500. Another example of robbing Peter to pay Paul! I have here figures from the State Department. They show the reduction in their personnel for 1934 as being over 600 people.

This reduction will retard our success in foreign countries very much. These experienced officials are particularly needed at this time to carry out the work that the President is doing with foreign countries in connection with international trade and tariff agreements with debt settlements and with armament agreements. We need at this time a trained personnel in foreign service as never before in history, in my belief. Diplomatic relations are strained all over the world. Economic conditions are bad everywhere. We needed trained personnel during the World War. We need it even more today.

Mr. Speaker, I ask unanimous consent to insert as a part of my remarks certain tables sent to me by the State Department; and in order to be absolutely accurate, I shall read the statement that is made with reference to them.

The SPEAKER. Is there objection?

There was no objection.

Mrs. ROGERS of Massachusetts. As shown by the following table, the appropriation for 1932 amounted to over \$18,000,000. The program of expenditure for 1934 is less by approximately \$8,000,000, which is a reduction of 43 percent below the appropriation for 1932, and this in view of the fact that we are going to have the most difficult trade relations and diplomatic relations we have ever had. Further reductions remain to be made.

Following is the statement of the Department of State:

DEPARTMENT OF STATE, May 19, 1933.

Statement showing appropriations and personnel of the Department of State as of July 1, 1933, and amount of reduction below appropriations and personnel for fiscal year 1932

Purpose	Fiscal year 1934		Amount of reduction below 1932	
	Funds available for 1934	Proposed personnel	Appropriated funds	Reduction in personnel
Department proper.....	\$1,637,482	728	\$864,636.00	118
Foreign Service.....	8,299,707	3,612	3,877,861.00	465
Foreign buildings.....			2,000,000.00	
International obligations.....	834,911	58	1,295,345.54	20
Permanent and indefinite.....	27,900		113,333.00	
Total.....	10,800,000	4,398	8,151,175.54	603

As shown by the foregoing table, the appropriation for 1932 amounted to \$18,951,175.54. The program of expenditure for 1934 is less by approximately \$8,151,175, which is a reduction of 43 percent below the appropriations for 1932. Personnel has been reduced by 603, a reduction of 12 percent. Further reductions remain to be made. In regard to the effect of these reductions upon diplomatic and consular officers in foreign countries, it is necessary to point out that under existing law Congress provided a basic salary for these officers and then provided for the adjustment of that salary to the cost of living in the several countries by the addition of post allowances and also made provision for rent of living quarters and also defraying a part of the cost of representation. The aggregate of these several amounts constituted the official compensation or income of the officers and employees in foreign countries. The salary has now been reduced 15 percent, the allowance for quarters about 64 percent, the post and representation allowances 100 percent, and in addition in certain countries the purchasing power in which the salaries and allowances are paid has suffered a depreciation of from 14 percent to 18 percent. The result is that in those countries in which this condition exists the official income of ambassadors has suffered a reduction of approximately 45 percent; of Foreign Service officers of class I, 40 percent; Foreign Service officers of class V, 42 percent; and Foreign Service officers, unclassified, 44 percent. An unclassified Foreign Service officer in Germany, for example, who in 1932 received a salary and allowances of \$3,600, receives today approximately \$2,000. A letter from a consular officer in Danzig states that his present income in local currency is nearly 50 percent less than his income of a year ago; that he has had to give up his house and take a couple of rooms in a private home, refuse practically all invitations of a social nature, official or otherwise, since it is no longer possible for him to return them.

A letter from an officer in Kaunas, Lithuania, reports a reduction of 27 percent in the purchasing power of his official income. The members of the Foreign Service in Italy report a 27 percent

reduction in the purchasing power of their April salaries. An officer in Belgium reports that the official incomes of officers in that country have suffered a 40 percent reduction since June last as compared with a 15 percent reduction in governmental salaries in the United States. The Minister to Austria reports a 16 percent depreciation in the dollar, which, added to the 15 percent reduction in salaries, makes a total reduction in the income of officers and employees of 31 percent since April 1, 1933. The Ambassador to Italy reports a 17 percent depreciation in the dollar, which, in addition to the 15 percent reduction in Government salaries, makes a 32 percent reduction in the purchasing power of the incomes of the United States Government officers in Rome. Much the same situation is reported from Paris, from Switzerland, and a number of other countries.

Other countries are trying to make up the difference where the purchasing power of their salaries is reduced, but our Foreign Service officers are being cut more than to the bone, and many of them are being eliminated. I cannot vote for the resolution.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Speaker, I want to state in the beginning that I am not opposed to agricultural research, either scientific or economic. I presume there is no Member of the House who makes greater use of the research and statistical facilities of the Department of Agriculture than myself. I think the work this Institute is doing, or is supposed to do, ought to be done, but I am not in favor of this Congress authorizing appropriations to do this work, when our own Department of Agriculture is doing the same work and doing it much better than it can possibly be done by the International Institute of Agriculture.

Mr. BLOOM. Will the gentleman yield?

Mr. HOPE. Just very briefly. I have only 5 minutes.

Mr. BLOOM. The present Secretary of Agriculture and the former Secretary of Agriculture have stated just the opposite of what the gentleman is saying now. They have said they need this more than anything they can get in order to secure information throughout the world, and if the gentleman has read the report he will find their statements are contrary to the statement which the gentleman has just made.

Mr. HOPE. I may say to the gentleman from New York that I have read the report; and while it is true that the present Secretary of Agriculture and his predecessor approve the legislation, they do not do so in the extravagant way the gentleman has indicated. I have read every word of the report and have studied particularly that part of it setting out the purposes for which this Institute was established. A study of these purposes indicates clearly that every bit of its work is being duplicated by our own Government.

Going down the list of purposes we find the first one is to—

Collect, study, and publish as promptly as possible statistical, technical, or economic information concerning farming, both vegetable and animal products, the commerce in agricultural products, and the prices prevailing in the various markets.

We have in the Department of Agriculture a Bureau of Agricultural Economics which is doing just exactly this type of work, and doing all of the work that is included in the statement I have just read; and we appropriated for the coming fiscal year for the Bureau of Agricultural Economics \$6,095,260.

Insofar as it is necessary for us to go to foreign countries to get information with regard to foreign agricultural products and the commerce in agricultural products throughout the world, we have a special agency in the Bureau of Agricultural Economics under the head of Foreign Agricultural Service, for which we appropriated last year \$292,000, and let me call your attention to the language in the appropriation bill stating the purposes for which this money is appropriated:

To enable the Secretary of Agriculture to carry into effect the provisions of the act entitled "An act to promote the agriculture of the United States by expanding in the foreign field the service now rendered by the Department of Agriculture, in acquiring and diffusing useful information regarding agriculture and for other purposes, and for collecting and disseminating to American pro-

ducers, importers, exporters, and other interested persons information relative to the world supply of and need for American agricultural products, marketing methods, conditions, prices, and other factors, a knowledge of which is necessary to the advantageous disposition of such products in foreign countries, independently and in cooperation with other branches of the Government, State services, purchasing and consuming organizations."

And persons engaged in the transportation, marketing, and distribution of farm products.

This in substance provides for identically the same work as is mentioned in the report of the committee outlining the economic work of the International Institute of Agriculture.

Mr. McREYNOLDS. Will the gentleman yield?

Mr. HOPE. Not at this time.

Going down to the next purpose for which the Institute was founded we see it is to—

Communicate to parties interested, also as promptly as possible, all the information just referred to.

If we get it ourselves, we have no necessity for having it communicated to us from the International Institute.

The next purpose for which the Institute is founded is stated to be—

(c) Indicate the wages paid for farm work.

We can go to the Bureau of the Census and we can get information and the Bureau of Agricultural Economics and get this information at any time. So I cannot see that we need the Institute for this purpose.

The next purpose for which it is stated the Institute is organized is—

(d) Make known the new diseases of vegetables which may appear in any part of the world, showing the territories infected, the progress of the disease, and, if possible, the remedies which are effective in combating them.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield the gentleman 1 more minute.

Mr. HOPE. Now, we have in the Department of Agriculture the Bureau of Plant Industry, for which we are appropriating over \$4,000,000 a year, which has infinitely more knowledge of plant diseases not only in this country but throughout the world than the Institute at Rome can ever acquire.

If I had the time I should like to read the remaining purposes for which the Institute was organized and to show that in each instance our Department of Agriculture is doing exactly the same work.

There are no doubt many countries which do not maintain and are not able to maintain a government department of agriculture such as we have in this country. The International Institute can no doubt render a service to those countries.

In this country, however, we do not need it. Today we are talking about cutting down the activities of our Agricultural Department. Many men who have spent all of their adult lives in agricultural work are fearful of losing their positions because of the necessity for economy. This being the case, it is surely a poor time to increase our appropriation for an institution whose work is not needed.

[Here the gavel fell.]

Mr. POU. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. LOZIER].

Mr. LOZIER. Mr. Speaker, once a year an attack is made on the appropriation for the International Institute of Agriculture, and every year for 4 or 5 years I have defended the appropriation because of the valuable services the Institute is rendering American agriculture. The trouble with my friend from New York [Mr. FISH], and the gentle lady from Massachusetts [Mrs. ROGERS], is, although their hearts are all right and their motives are all right, still they do not know anything about the International Institute of Agriculture. They have no conception of its functions and accomplishments. They have no comprehension of the magnitude of the organization, and no appreciation of the splendid work for agriculture that it is doing. For a quarter of a century it has been serving the farmers, not only of the

United States, but of the world. It has furnished the people of 40 nations reliable information and dependable agricultural statistics. It is the only clearing house in the world for the accumulation and dissemination of agricultural information. By scientific experimentations it has tremendously advanced the vocation of agriculture; and, by the dissemination of the results of its research, it has materially aided in putting agriculture on a safer and more profitable basis.

It does not duplicate the information supplied by the Department of Agriculture. Much of the information that is disseminated by our Department of Agriculture with reference to crop conditions, grain production, and prices in foreign lands comes from the International Institute of Agriculture at Rome.

This Institute was organized by David Lubin, a Polish Jew, who as a penniless lad came to this country and by industry and genius beat a pathway out of poverty to wealth and fame. He was the father of the cooperative farm marketing system in the United States. Probably no man made a greater contribution to the development, stabilization, and standardization of agriculture in our national history. The agricultural classes of America owe him a debt of gratitude that would be hard to liquidate.

He was the founder of the International Institute of Agriculture in Rome, of which 40 nations are members. This Institute gathers valuable agricultural data from every nook and corner of the world.

Mr. HOPE. Will the gentleman yield?

Mr. LOZIER. I cannot yield; I have only 3 minutes. This information is cabled or radioed to Rome, and from Rome to every one of the 40 great nations having membership in the Institute. This data is either radioed or cabled to our Department of Agriculture and to every department of agriculture in the world.

Mr. HOPE. Will the gentleman yield?

Mr. LOZIER. I told the gentleman I could not yield. Does not the gentleman understand the English language?

Now, gentlemen, with reference to our consuls, attachés, and the representatives we have sent abroad to gather agricultural statistics and find markets for our agricultural products, I am sorry to say that most of them are the gold-lace men, whose work has been exceedingly disappointing.

We are obligated by treaty to contribute our part of the cost of maintaining this useful agency. This resolution should be adopted.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. ELTSE].

Mr. ELTSE of California. Mr. Speaker and Members of the House, I come from the district in which the State University of California is located, and I believe it to be one of the greatest educational institutions in the country—not the greatest but one of the greatest. I thoroughly approve of what the gentleman from Kansas [Mr. HOPE] has said in respect to the jurisdiction and work of our State agricultural institutions. They amply cover the field which this resolution seeks to invade.

I want to say frankly that I do not believe there is any need for such a subsidy as this, spending \$40,000 or \$50,000—and I notice that during 1927 the appropriation was as high as \$67,000. Furthermore, during the 27 years of its existence there has been expended by this institute \$1,250,000, or thereabouts. Those are not entirely accurate figures. I invite each one of you gentlemen to take the report on this resolution and examine it. You will find it is nothing in the world but a defense from beginning to end of the failures of the institute, which you are trying now to subsidize by an additional \$50,000 or \$60,000, and to increase the salary of the resident delegate from \$5,000 to \$7,500 a year.

Mr. WEARIN. Mr. Speaker, will the gentleman yield?

Mr. ELTSE of California. Not now. I want to quote from a report by Secretary Stimson to the President in June 1932. You will find there that the surveys or the work done by this

institute have been unsatisfactory. And for a specific quotation I call attention to the language on page 4.

Mr. BLOOM. Mr. Speaker, will the gentleman yield?

Mr. ELTSE of California. Not now.

For some years before 1928 the American Government was of the opinion that serious defects had arisen in the functioning of the institute.

And they still exist. On page 6 of the report, near the bottom of the page, I find the following:

The system of extraordinary payments was introduced as a temporary expedient; it proved unsatisfactory both to the institute and to the member governments as a means of rectifying the financial situation.

And I defy anyone to take that report and read it through, and, in the words of the gentleman from Texas [Mr. BLANTON], I ask anyone to find anything anywhere that points to a specific benefit having been delivered to the American farmer. He needs relief, not statistics. The American farmer cannot digest the statistics he has before him at the present time. He has become sick of statistics.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. ELTSE of California. Yes.

Mr. BLANTON. There is our distinguished colleague GEORGE B. TERRELL sitting over there, who for the last 10 years has been commissioner of agriculture of the State of Texas, and now a Member of this House, and he will tell you that this whole bill is damned foolishness, and we ought to stop this waste of \$48,500 annually.

Mr. ELTSE of California. I hope he will. It is foolishness. I repeat it. If you will read that report carefully, you will see that it is nothing more than a defense of a subsidy for this research work on foreign soil, and when we have our own troubles over here in America, with our own American farmers who have their own pests, and their own problems of farming, of economics, of consumption and production, why do we want to spend some fifty thousand or sixty thousand or seventy thousand or eighty thousand dollars or more to make something effective on foreign soil?

Mr. HASTINGS. Mr. Speaker, will the gentleman yield?

Mr. ELTSE of California. Yes.

Mr. HASTINGS. Did not the former Secretary of State in this very report from which the gentleman is quoting recommend this, and did he not send up a printed draft of proposed legislation to carry it on?

Mr. ELTSE of California. Yes; and my answer to that is if in that report of Mr. Stimson you can point out anything to me or to any Member of the House showing a specific benefit to the American farmer, I will be glad to see it.

Mr. HASTINGS. Of course we would not have the time to analyze all the pages of the report; but did not the present Secretary of State, Mr. Cordell Hull, recommend it?

Mr. ELTSE of California. And I want to say to the gentleman that one of our gravest troubles now in connection with legislation in this body is that we do not analyze these reports and do not understand them. Analyze this report, and you will find there is no specific benefit to the American farmer.

Mr. RANSLEY. Mr. Speaker, I yield the remainder of my time to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, I take my hat off to our splendid New York delegation. It is the ablest, the shrewdest, the most active and energetic, the most kind-hearted and courteous, and the most ambitious and far-reaching delegation in any legislative body in the world.

Mr. KELLER. Except Illinois.

Mr. BLANTON. Our good friend from New York, Dr. SROVICH, brought in his junketing resolution to spend \$250,000 and we killed that, and then our good friend from New York, Mr. CELLER, had to bring in another junketing resolution here the other day, which we stopped by a point of order, that would have expended \$250,000 more, and now here is our good old friend from New York, Sol Bloom, with another \$48,500 junket. He brings in one also. Sol is the spokesman here of the American farmer. [Laughter.] When Sol goes to Rome, Italy, and is presented to Mussolini, we

all know of course that he pays his own expenses. When he is presented to the Pope he pays his own expenses, and when he puts on knee breeches and is presented to the King at the Court of St. James's he pays his own expenses. Oh, he is liberal-hearted. He now believes that the American farmer must be saved by this Institute of Agriculture at Rome, Italy. Sol is fathering this bill on the floor, he is the spokesman for it.

There is no law now to pay anyone \$5,000 or \$7,000 a year over there at Rome. Unless you pass this joint resolution there will not be any law authorizing it, and there will not be any more money spent in Rome, because there are enough of us here who know how to make points of order to stop those things in appropriation bills. They must pass this joint resolution to make it in order. If you do not pass this joint resolution we will not spend any more money there.

Since 1928 we have not participated in this Italian institute in Rome. Oh, we have paid our part of the European expenses of this institute at Rome, Italy, and we have always done that. We are paying our part of every single project that is being carried on in Europe right now, but we have not participated at Rome since 1928, and we ought not to participate any more. Unless you pass this joint resolution we will not participate any longer. Spending money there will stop. Of this \$48,000 there is to be \$7,500 a year paid as the salary of a resident delegate in Rome. The Institute meets just twice a year, but we are going to let him stay there the whole 12 months. I challenge any Member here to state one sane reason why we should maintain yearly a delegate at Rome, Italy, to represent us in a so-called "Institute of Agriculture" there and pay the delegate an annual salary of \$7,500 and allow him an additional \$5,500 for rent of his dwelling, heat, fuel, and lights.

It is the most absurd, ridiculous proposal I have heard of in a long time. Have we lost our common sense? Have we ceased to see things from a sane, practical standpoint? Have we ceased to reason and think for ourselves? Are we led away by some recommendation of some little bureau chief? Have we not yet begun to ask ourselves the question, before spending public money, "Is it necessary to spend it; is it worth while; does it bring the people proper returns; is it to the interest of the people of the United States, or is it to benefit some individual or individuals?"

Why should we spend this \$48,500 in Rome, Italy, every year. Why should we pay this \$7,500 salary and this \$5,500 for rent, heat, fuel, and lights?

Mr. BLOOM. Will the gentleman yield?

Mr. BLANTON. Why, you allow him \$5,500 for a private dwelling and rent and heat, light, and fuel.

Mr. BLOOM. No.

Mr. BLANTON. Yes; it is. Read the bill. Mr. Speaker, I am not going to allow my friend from New York to use my few minutes. I want him to take his own time.

Mr. ALLGOOD. Will the gentleman yield?

Mr. BLANTON. I only have 4 minutes.

There is his \$7,500 salary; his \$5,500 for his residence, heat, light, and fuel.

Mr. BLOOM. And what else?

Mr. BLANTON. Then there is about \$5,000 for the contribution for the institute expenses. The balance of the \$48,500 is junketing for experts in the Department of Agriculture and the Department of State and very likely for some Senators and some Congressmen.

Mr. BLOOM. Oh, no.

Mr. BLANTON. We have experts in the departments and experts in Congress.

Mr. ALLGOOD. Is it an emergency?

Mr. BLANTON. Emergency the devil! President Roosevelt has not recommended it. We ought to kill it. [Applause.]

The SPEAKER. The time of the gentleman from Texas has expired. All time has expired.

Mr. POUL. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 81, noes 80.

Mr. BLANTON. Mr. Speaker, I ask for tellers. Pending that, I ask for the yeas and nays, Mr. Speaker.

The yeas and nays were ordered.

The question was taken; and there were—ayes 152, nays 143, answered "present" 2, not voting 133, as follows:

[Roll No. 43]

YEAS—152

Abernethy	Doxey	Kerr	Ramspeck
Ayers, Mont.	Driver	Kleberg	Rankin
Bankhead	Duncan, Mo.	Kloeb	Rayburn
Beedy	Dunn	Kniffin	Reilly
Berlin	Eagle	Kopplemann	Robertson
Biermann	Ellzey, Miss.	Kramer	Robinson
Bland	Englebright	Kvale	Romjue
Bloom	Fernandez	Lambeth	Ruffin
Boileau	Flesinger	Larrabee	Sabath
Boland	Fitzpatrick	Lea, Calif.	Sandlin
Boylan	Ford	Lozier	Schulte
Brennan	Fuller	Luce	Scrugham
Brown, Ky.	Gasque	McCarthy	Sears
Brown, Mich.	Gilchrist	McCormack	Shallenberger
Buchanan	Goldsborough	McGrath	Shannon
Buck	Gray	McKeown	Sinclair
Bulwinkle	Green	McMillan	Sisson
Burch	Greenwood	McReynolds	Snyder
Byrns	Gregory	Major	Somers, N.Y.
Caldwell	Griffin	Mansfield	Spence
Carden	Guyser	Marland	Studley
Carpenter, Kans.	Hancock, N.C.	Martin, Colo.	Tarver
Castellow	Harlan	Martin, Oreg.	Taylor, Tenn.
Chavez	Harter	Mitchell	Turner
Condon	Hastings	Monaghan	Vinson, Ga.
Cooper, Tenn.	Henney	Murdock	Wallgren
Cox	Hildebrandt	Nesbit	Wearin
Cravens	Hill, Ala.	O'Brien	Weaver
Crosser	Hill, Knute	Oliver, Ala.	Welch
Crowe	Hill, Samuel B.	Oliver, N.Y.	Werner
Crump	Hughes	Owen	West, Ohio
Dickinson	Imhoff	Parks	West, Tex.
Dies	Jacobsen	Parsons	Whittington
Dingell	Johnson, Tex.	Patman	Willcox
Dirksen	Kahn	Peterson	Willford
Disney	Kee	Pou	Willson
Dockweiler	Keller	Prall	Woodrum
Dowell	Kelly, Ill.	Ragon	Zioncheck

NAYS—143

Adair	Culkin	Jones	Richards
Allen	Cummings	Kennedy, Md.	Rogers, Mass.
Allgood	Darrow	Knutson	Rogers, N.H.
Almon	Dear	Kociakowski	Rogers, Okla.
Arens	Deen	Lambertson	Sanders
Bacon	DeRouen	Lamneck	Schaefer
Bailey	Dobbins	Lanham	Schuetz
Beam	Dondero	Lehlbach	Secrest
Black	Duffey	Lehr	Seger
Blanton	Durgan, Ind.	Lemke	Simpson
Bolton	Eaton	Lloyd	Smith, Wash.
Britten	Elcher	Ludlow	Snell
Brumm	Eltsch, Calif.	Lundeen	Strong, Tex.
Burke, Nebr.	Evans	McFadden	Stubbs
Burnham	Farley	McFarlane	Swank
Busby	Fletcher	McGugin	Taber
Cady	Foulkes	Mapes	Taylor, Colo.
Cannon, Mo.	Fulmer	Marshall	Terrell
Cannon, Wis.	Gambrell	May	Thom
Carter, Calif.	Gibson	Meeks	Thomason, Tex.
Cavichia	Glover	Merritt	Thompson, Ill.
Chapman	Goodwin	Millard	Thurston
Chase	Griswold	Miller	Traeger
Christianson	Haines	Montet	Turpin
Church	Hancock, N.Y.	Moran	Umstead
Claborn	Hess	Morehead	Utterback
Clarke, N.Y.	Higgins	Mott	Vinson, Ky.
Cochran, Mo.	Hollister	Musselwhite	Wadsworth
Cochran, Pa.	Holmes	O'Connell	Warren
Coffin	Hooper	Palmisano	Watson
Colden	Hope	Parker, N.Y.	Weideman
Collins, Calif.	Howard	Peavey	Whitley
Colmer	Jeffers	Polk	Wigglesworth
Crosby	Jenckes	Ramsay	Wolcott
Cross	Jenkins	Ransley	Woodruff
Crowther	Johnson, Minn.	Reece	

ANSWERED "PRESENT"—2

Doughton Fish

NOT VOTING—133

Adams	Brooks	Cole	Douglass
Andrew, Mass.	Browning	Collins, Miss.	Doutrich
Andrews, N.Y.	Brunner	Connery	Drewry
Arnold	Buckbee	Connolly	Edmonds
Auf der Heide	Burke, Calif.	Cooper, Ohio	Faddis
Ayres, Kans.	Carley	Corning	Fitzgibbons
Bacharach	Carpenter, Nebr.	Cullen	Flannagan
Bakewell	Carter, Wyo.	Darden	Focht
Beck	Cartwright	Delaney	Foss
Beiter	Cary	De Priest	Frear
Blanchard	Celler	Dickstein	Gavagan
Boehne	Clark, N.C.	Ditter	Gifford

Gillespie	Lee, Mo.	Perkins	Sutphin
Gillette	Lesinski	Pettengill	Sweeney
Goss	Lewis, Colo.	Peyser	Swick
Granfield	Lewis, Md.	Pierce	Taylor, S.C.
Hamilton	Lindsay	Powers	Tinkham
Hart	McClintic	Randolph	Tobey
Hartley	McDuffie	Reed, N.Y.	Treadway
Healey	McLean	Reid, Ill.	Truax
Hoepfel	McLeod	Rich	Underwood
Hoidale	McSwain	Richardson	Waldron
Hornor	Maloney, Conn.	Rudd	Walter
Huddleston	Maloney, La.	Sadowski	White
James	Martin, Mass.	Shoemaker	Williams
Johnson, Okla.	Mead	Sirovich	Withrow
Johnson, W.Va.	Milligan	Smith, Va.	Wolfenden
Kelly, Pa.	Montague	Smith, W.Va.	Wolferton
Kemp	Moynihan	Stalker	Wood, Ga.
Kennedy, N.Y.	Muldowney	Stegall	Wood, Mo.
Kenney	Norton	Stokes	Young
Kinzer	O'Connor	Strong, Pa.	
Kurtz	O'Malley	Sullivan	
Lanzetta	Parker, Ga.	Sumners, Tex.	

So the resolution was agreed to.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

The Clerk announced the following pairs:

On this vote:

Mr. Bakewell (for) with Mr. Tobey (against).
 Mr. Maloney of Connecticut (for) with Mr. Edmonds (against).
 Mr. Rudd (for) with Mr. Ditter (against).
 Mr. Lesinski (for) with Mr. Rich (against).
 Mr. Johnson of West Virginia (for) with Mr. Muldowney (against).
 Mr. Adams (for) with Mr. Connolly (against).
 Mr. Cullen (for) with Mr. Bacharach (against).
 Mr. Kenney (for) with Mr. Wolferton (against).
 Mr. Flannagan (for) with Mr. Hartley (against).
 Mr. Richardson (for) with Mr. Wolfenden (against).
 Mr. Sadowski (for) with Mr. Powers (against).
 Mr. Walter (for) with Mr. McLean (against).
 Mr. Delaney (for) with Mr. Beck (against).
 Mrs. Norton (for) with Mr. Doutrich (against).
 Mr. O'Connor (for) with Mr. Waldron (against).
 Mr. Corning (for) with Mr. Kinzer (against).

General pairs:

Mr. Doughton with Mr. Treadway.
 Mr. Brunner with Mr. Gifford.
 Mr. Ayres of Kansas with Mr. Cooper of Ohio.
 Mr. Lewis of Maryland with Mr. Blanchard.
 Mr. Sullivan with Mr. Martin of Massachusetts.
 Mr. Steagall with Mr. Reed of New York.
 Mr. McClintic with Mr. Focht.
 Mr. Lindsay with Mr. Kurtz.
 Mr. McDuffie with Mr. Withrow.
 Mr. Collins of Mississippi with Mr. McLeod.
 Mr. Cartwright with Mr. Strong of Pennsylvania.
 Mr. Arnold with Mr. Buckbee.
 Mr. Drewry with Mr. Moynihan.
 Mr. Parker of Georgia with Mr. Perkins.
 Mr. Smith of West Virginia with Mr. Andrew of Massachusetts.
 Mr. Kemp with Mr. Reid of Illinois.
 Mr. Sumners of Texas with Mr. Stalker.
 Mr. Underwood with Mr. Carter of Wyoming.
 Mr. Kennedy of New York with Mr. Swick.
 Mr. Maloney of Louisiana with Mr. Frear.
 Mr. Douglass with Mr. James.
 Mr. Mead with Mr. Stokes.
 Mr. Connery with Mr. Foss.
 Mr. Milligan with Mr. Tinkham.
 Mr. Dickstein with Mr. Goss.
 Mr. Carley with Mr. Kelly of Pennsylvania.
 Mr. Gavagan with Mr. De Priest.
 Mr. Boehne with Mr. Shoemaker.
 Mr. Auf der Heide with Mr. Andrews of New York.
 Mr. Browning with Mr. Fitzgibbons.
 Mr. Granfield with Mr. Beiter.
 Mr. Celler with Mr. Brooks.
 Mr. Huddleston with Mr. Randolph.
 Mr. McSwain with Mr. Hoidale.
 Mr. Sweeney with Mr. Gillette.
 Mr. Young with Mr. O'Malley.
 Mr. Pettengill with Mr. White.
 Mr. Sirovich with Mr. Darden.
 Mr. Smith of Virginia with Mr. Burke of California.
 Mr. Sutphin with Mr. Wood of Georgia.
 Mr. Cary with Mr. Carpenter of Nebraska.
 Mr. Hart with Mr. Peyser.
 Mr. Cole with Mr. Lanzetta.
 Mr. Clark of North Carolina with Mr. Wood of Missouri.
 Mr. Hornor with Mr. Lewis of Colorado.

Mr. JACOBSEN. Mr. Speaker, my colleague the gentleman from Iowa, Mr. GILLETTE, is absent on account of sickness. If present, he would vote "aye."

The result of the vote was announced as above recorded.

Mr. McREYNOLDS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the resolution (H.J.Res. 149) authorizing an annual appropriation for the

expenses of participation by the United States in the International Institute of Agriculture at Rome, Italy.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 149, with Mr. WOODRUM in the chair.

The Clerk read the title of the House joint resolution.

The CHAIRMAN. Without objection, the first reading of the joint resolution will be dispensed with.

There was no objection.

The CHAIRMAN. Under the rule, the gentleman from Tennessee [Mr. McREYNOLDS] is recognized for 30 minutes and the gentleman from New York [Mr. FISH] is recognized for 30 minutes.

Mr. FISH. Mr. Chairman, I should like to propound a question to the distinguished chairman of the committee and ask him if it can be agreed upon that if we are to have a motion to recommit and a roll call, the roll call could go over until Monday morning?

Mr. McREYNOLDS. I understand there will be other matters to be taken up after this, and I cannot make that agreement.

Mr. FISH. There are so many Members absent on Saturday afternoon, with the understanding generally that there would not be any roll call, that I wish the gentleman could make that agreement.

Mr. McREYNOLDS. Well, we are going right on with the bank bill after this is concluded, and I am not authorized to make any agreement whatever.

Mr. FISH. I do not care about what comes after this.

Mr. McREYNOLDS. I am sorry, but I cannot make such an agreement. We are now in Committee of the Whole anyway.

Mr. BRITTEN. Will the gentleman yield?

Mr. McREYNOLDS. I do not yield out of my time, Mr. Chairman.

The CHAIRMAN. The gentleman must yield in his own time, if at all.

Mr. McREYNOLDS. I yield myself 3 minutes at present, Mr. Chairman.

Mr. Chairman, I merely take these 3 minutes to correct some statements that have been made before this body.

In the first place, this is not an appropriation. It is an authorization which when authorized will go to the Appropriations Committee of the House and which they will have every opportunity to investigate thoroughly.

Another statement has been made that \$38,000 of this is for a junket. That statement was made out of absolute ignorance, and I emphasize the word "ignorance." Anyone who has investigated this matter knows that \$38,000 goes to this organization as dues on the same basis as other nations pay their dues.

But one delegate is provided in this resolution. He goes there and gives all of his time.

Whether or not the salary should be raised from \$5,000 to \$7,500 is a question for this committee to decide.

It has been stated also on the floor that the President was not for this bill. This statement is not correct. The Secretary of State endorses it. The Secretary of Agriculture yesterday insisted that the President stated that he wanted this passed as part of his farm-relief program.

I telephoned to the White House and asked the President's secretary to please go to the President at once and ask him if I might use his name in connection with the measure and whether or not it was one of his measures; and his secretary advised me that it was and that I had the privilege of quoting him as being for this bill. That is the reason it is here.

Mr. CLARKE of New York. Mr. Chairman, will the gentleman yield?

Mr. McREYNOLDS. I have not time.

Mr. CLARKE of New York. I want to ask a simple question. Will not the gentleman give us some examples of benefits that have accrued from our participation in this institute?

Mr. McREYNOLDS. I am going to leave that to gentlemen who will follow me and I know they will be glad to inform the House in that regard.

Mr. ALLEN. Is the President in favor of this increase of 50 percent in the salary of the delegate?

Mr. McREYNOLDS. I never said that. I said that was a matter for the House to decide.

Mr. ALLEN. Is the committee in favor of this increase?

Mr. McREYNOLDS. The gentleman witnessed the vote in the committee.

[Here the gavel fell.]

Mr. FISH. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. First, I think it is well to get some of the cobwebs out of the way. I do not make any statement on this floor unless it is supported by the record.

They say there is no junket in this. I refer you to the report of the committee that they brought in here and I read from page 4, the second paragraph:

From 1906 until 1928 this Government participated actively in the Institute being represented on the permanent committee by a delegate resident at Rome—

I call particular attention to this portion of the statement—

and sending delegations to the biennial meetings of the general assembly.

Not sending one man but sending delegations.

What did the gentleman from Tennessee mean when he put in this report, a report from the Secretary of State—and it is the same report Stimson sent here—

Mr. McREYNOLDS. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. No, I am sorry, I cannot yield.

Mr. McREYNOLDS. I wish to explain the gentleman's statement.

Mr. BLANTON. I cannot yield. If the gentleman cannot yield me any Democratic time, I cannot yield to him. It is unfortunate when things come to such a pass that a Member who has been supporting the Democratic ticket ever since he has grown up has to go to the Republican side to get time to talk against an extravagant Republican bill. Why, this is a Republican bill. It was formulated by the Republican Department of Agriculture, by a Republican Secretary of State under a Republican President. President Hoover sent it here in the last Congress as a Republican measure.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. TABER. We are prepared to repudiate it, anyway.

Mr. CLARKE of New York. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I regret that I cannot yield; I have but 5 minutes; I am sorry.

Mr. FISH. I will yield the gentleman an extra minute if he will yield for a question.

Mr. BLANTON. I am glad to yield to the gentleman from New York, who has been so generous and courteous in the matter of time. I am glad to yield to him.

Mr. FISH. I wish to point out to the gentleman from Texas that as the resolution was recommended by the Republican administration it carried a salary of only \$5,000.

Mr. BLANTON. That is right; but the gentleman from Tennessee [Mr. McREYNOLDS] has raised it 50 percent. He proposes to pay \$7,500. Is the President now in the White House in favor of the raise? He is not. I make the statement on my own responsibility that the President of the United States is not in favor of raising the salary of any Italian employee of this Government over in Rome, Italy, 50 percent.

Mr. KELLER. He is not an Italian.

Mr. BLANTON. If the gentleman from Illinois will keep still a minute, he will learn something. If SOL BLOOM has got no junket in this, I want him and the gentleman from Tennessee to explain this language, which I quote from the committee report, when, in explaining just how the State Department has spent this annual appropriation, which one

year amounted to \$68,340, Mr. Henry L. Stimson, then Secretary of State, said:

From 1906 until 1928 this Government participated actively in the institute, being represented on the permanent committee by a delegate resident at Rome, and sending delegations to the biennial meetings of the general assembly. The annual appropriations for the support of this Government's part in the institute varied in the period 1922-28 between \$29,577 and \$68,340.

Just what did he mean when he said, "And sending delegations to the biennial meetings"?

He did not say one delegate. He said delegations. That term "delegations" cannot be explained away. It is expected to send more delegations to Rome, Italy, and this is the reason this bill is written so as to provide \$48,500 for such annual expenditure.

I have a breakdown of our expenses for this institute for the past 3 years and this year, which was furnished me by Mr. Carr, of the Department of State, and from it you will note that our quota—and by quota is meant the annual contribution we are due this institute every year for expenses of it—was \$4,713.28 in 1930, and \$4,722.55 in 1931, and \$4,689.33 in 1932, and \$5,400 for 1933, this year, which has not yet been paid. Here is the statement:

Expenditures on account of the International Institute of Agriculture at Rome, Italy

	Calendar year 1930	Calendar year 1931	Calendar year 1932	Calendar year 1933
Stenographic services.....	\$83.33			
Communication service.....		\$6.42		
Travel expenses.....		827.19	\$1,457.86	
Equipment.....	978.24			
Miscellaneous expenses.....	12.08			
Quota.....	4,713.28	4,722.55	4,689.33	\$5,400
Total expenditures.....	5,786.93	5,556.16	6,147.19	5,400
Unexpended balances.....	52,213.07	9,703.84	4,912.81	
Total appropriations.....	58,000.00	15,260.00	11,060.00	5,400

¹Payment has not yet been made.

Now, if our quota, or contribution, for expenses of the institute is only about \$5,000 per annum, and we pay the salary of \$7,500 and the allowance of \$5,500, where is the balance of this \$48,500 going? Remember what Mr. Stimson said, "For sending delegations." It is for "delegations."

Mr. BLOOM. What is the gentleman reading from?

Mr. BLANTON. I am reading from the gentleman's report. Our friend Sol let too much go into this report of the committee.

I have not yielded to the gentleman.

Mr. BLOOM. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will suspend. The gentleman from Texas has the floor, and gentlemen know they have no right to interrupt him unless the gentleman yields.

Mr. BLOOM. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BLOOM. If the gentleman from Texas mentions my name specifically and calls attention to a certain thing he is going to read, have I not the right to ask him what he is reading from and to state the page?

The CHAIRMAN. Not unless the gentleman agrees to yield, and the gentleman refuses to yield.

Mr. BLANTON. I think that is a fair, just inquiry, and if the gentleman will yield me 2 minutes extra I shall yield to him.

Mr. BLOOM. I have not got it.

Mr. BLANTON. I want to ask you this question, and I am talking to my Democratic colleagues. If there is no junket in this, what did Brother McREYNOLDS mean when he put in his report, "For sending delegations", and so forth?

Mr. McREYNOLDS. I can explain that to the gentleman if he will let me.

Mr. BLANTON. Just a minute. What did the gentleman mean when he put in here, as coming from the State Department, this language, "And sending delegations to biennial meetings"?

Mr. McREYNOLDS. That is true as to those meetings when another authorization was made, but that is not true as to this authorization.

Mr. BLANTON. I hope the Chair will not take this out of my time, because I did not yield.

Mr. McREYNOLDS. The gentleman asked me the question. I am giving the gentleman a little bit of what he has been giving everybody else.

Mr. BLANTON. Mr. Chairman, do not take this out of my time.

Now, listen to this:

"Sixty-eight thousand three hundred and forty dollars it costs 1 year." Was there not a delegation sent on that money?

Mr. McREYNOLDS. There might have been, but this does not provide for that.

Mr. BLANTON. If they sent delegations in the past, why will not they send them in the future? If you take the delegations out of this bill and if you will take the junket to Rome out of it, there will not be all this intensive interest in it.

Mr. McREYNOLDS. I have a statement right here [indicating] showing that what I stated is absolutely true.

Mr. BLANTON. Mr. Chairman, the gentleman from Tennessee is the most unfair man I ever saw.

Mr. McREYNOLDS. I thank you, sir; but I cannot beat you.

Mr. BLANTON. He is in charge of all of the time on the Democratic side, and he will not yield any of his own time and he has limited the debate against his bill to 30 minutes, and then he takes up all our time. This is not fair.

Let me tell you about gathering statistics for the farmers. Do you know what is the matter with the farmers today? The farmers have been bankrupt with statistics. God save the farmers from more statistics. They do not want any more statistics. [Applause.]

[Here the gavel fell.]

Mr. FISH. Mr. Chairman, I yield the gentleman from Texas 1 minute.

Mr. BLANTON. Mr. Chairman, all of us appreciate my splendid, brilliant, young friend from Iowa, Dr. WEARIN. He is one of the most brilliant young men in the House. I take my hat off to him. He is just 30 years old. He has not had time to learn much, practically, about actual farming. He graduated at the Tabor Academy when he was 17 years old in 1920, and then he was graduated from Grinnell College in 1924, and then in 1926 he became treasurer of his local school system at home. He went abroad for a year and studied at Rome and then in 1928 he became a member of the Iowa Legislature. He was the Democratic leader there for 4 years, and as a splendid young stalwart Democrat I take off my hat to him, but he does not know much about the way departments here provide junkets. [Laughter and applause.]

Mr. FISH. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. BRITTEN].

Mr. BRITTEN. Mr. Chairman, the distinguished Chairman of the Committee on Foreign Affairs suggested to the House a few moments ago that this bill did not carry an appropriation. Of course it does not, but it carries a direction to the Committee on Appropriations to appropriate, not only this year but every year from now on, \$48,500. And what for? To be expended almost entirely in Rome for sustaining the International Institute of Agriculture.

In the name of heaven, my good friends, is there an ounce of common sense in throwing \$48,500 into a wastebasket in Rome at a time when we have millions out of employment in the United States, at a time when we are cutting every dollar out of every appropriation we possibly can, at a time when we are discharging thousands of Federal employees all over the United States and at a time when everybody is clamoring for economy, including the President himself? Day after day there comes the cry for more economy.

I regard the Committee on Foreign Affairs very highly, but I cannot understand how any reasonable organization of

men, who have to account to their constituency from time to time and who are down here reducing the salary of everybody all the way down the line, can be in favor of a proposition of this kind.

We have never had a condition like the present emergency, and how a body of reasonable men can come in here and ask us to dump practically \$50,000 a year into a hopper in Rome in the interest of the American farmer is more than I can understand. There has never been as silly a proposition as this presented to the House, and it ought to be overwhelmingly defeated. [Applause.]

[Here the gavel fell.]

Mr. McREYNOLDS. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. KLOEB].

Mr. KLOEB. Mr. Chairman, ladies and gentlemen of the Committee, I have always found it profitable in presenting a case to a reviewing court to get the facts of the case plainly before the court, because it has been my experience that if the court has the facts correctly it can more correctly apply the law.

I feel that in this case I am about to present, the facts are grossly misunderstood. When you have the facts you are going to favor this measure. I hope that you will not interrupt me as I proceed with the statement of the facts until about the time of my conclusion. Then I shall be glad to answer any question that I am capable of answering.

What is this Institute of Agriculture? Back in 1906 there arose the necessity in the Agricultural Department of the Government that the farmers of the United States should obtain data that would be of assistance to them in planting their crops and in marketing those crops.

Someone has said, "Well, what is the function of our Department of Agriculture?" Its function is to gather statistics in the United States. It has no representatives in the forty-odd countries of the world. The duty of representing us belongs to our delegate to this institute. If the Government wanted to gather statistics from the forty-odd countries, it would be necessary to have a representative go to each of those countries. For this reason they found that it would be more economical and simpler to have cooperation among the agricultural nations of the world, and have each send a permanent representative at a given place, and there, with the assistance of clerks and expert statisticians assimilate the statistics, as well as market and crop conditions, from agricultural countries of the world that come in in all the languages of the world.

These facts are presented in their various languages to this institute, are digested, assimilated, and printed in various languages of the world, and in the form of reports are sent over here, not only to the Department of Agriculture but also to all the farmers' colleges, the agricultural institutes, and the extension bureaus. Daily cables are sent to the Agricultural Department on market and crop conditions.

What do you say this is to accomplish? Let me tell you what it has accomplished. In 1928, 135,000 farmers attended the extension schools in the United States. In 1931 846,000 farmers attended these agricultural institutes, these extension courses. Where do these extension courses get the world-wide statistics on products, on cost of marketing, on the probabilities of marketing for future crops? They get them from the Agricultural Institute in Italy where we have one representative.

Mr. JOHNSON of Minnesota. Will the gentleman yield?

Mr. KLOEB. No; I told the gentleman I could not yield until I had finished stating the facts. My friends, since 1906, when this Government by treaty became a party to that institute, we have been a member. We have sent annually a representative, who has resided in Italy, and we were fortunate since 1906 up to 1919 in having as our representative David Lubin, of Sacramento, Calif., an extremely wealthy man whose business was agriculture.

He was the father of this institute. This gentleman paid much of his own expenses. He paid out much of his own private income in order to maintain himself and his staff of assistants.

In 1919 he died, and a Mr. Hobson was appointed to succeed him. In 1928 there arose some difficulties over there in connection with the Italian delegate who sought to rule the entire delegation, and we withdrew our man.

From 1928 to this time, under the terms of the treaty, we have been paying our assessment for maintenance of the institute in French francs—not gold francs, but 3.90 francs.

Thus we reduced our payments for the maintenance of the institute to \$4,800 in American money. The institute has found that it cannot operate without the assistance of American statistics and without the full American contribution; as a consequence in 1931, our State Department sent its representative to Italy and ironed out all these difficulties, and is now asking this Congress to again authorize an appropriation to permit a representative from this country to join all of the other agricultural nations of the world. We are the only country that is an agricultural nation that does not belong to this institute. That we now be permitted to rejoin is what is being asked in this resolution. President Hoover asked for this in June of last year in a special message to the Congress. Mr. Stimson, then Secretary of State, asked for the same thing. The present Secretary of State, Mr. Cordell Hull, asks for it, and the present President of the United States asks for it. The present Secretary of Agriculture asks for it, as did the former Secretary of Agriculture. Can all of these gentlemen be wrong?

Mr. WEIDEMAN. And did the President ask for a 50-percent increase in the salary of the delegate?

Mr. KLOEB. I shall answer the gentleman. When he speaks of a 50-percent increase in salary he makes an inaccurate statement. The past salary of \$5,000 is now subject to a 15-percent cut, making \$4,250 available. In view of the fact that under former conditions none but a wealthy man could be appointed at the prevailing salary, and none but a wealthy man could be appointed at a salary of \$4,250, the Director of the Budget, Mr. Lewis Douglas, than whom there is no man in the Government service who more desires economy, asks that this increase be made. The President will then have an opportunity to select a man at a salary of \$7,500 a year, less 15 percent, and will not be confined to a selection from among wealthy men, who may know nothing about agriculture or agricultural statistics. With this arrangement he may possibly find some professor of an agricultural college who has the proper background in respect to economics and agriculture.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. FISH. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. HART].

Mr. HART. Mr. Chairman, as a practical farmer, as one who has been engaged in marketing farm products for some 30 years, and who knows something about the problems not only of farming but of the distribution of farm products, I listened with interest to the remarks of the gentleman from Ohio [Mr. KLOEB]. If there is one thing that he demonstrated in his 10 minutes, it is that he knows absolutely nothing about agriculture or the marketing of agricultural products. He demonstrated, however, that he is thoroughly familiar with the language of farm propagandists and he knows the language of the Agriculture Department, which has increased its appropriations steadily as the income of the farmer has gone down. That is patent to everyone. As fast as we have increased the appropriations of the Agriculture Department the income of the farmer has declined. The farmer is suffering today from too many figures produced about his business. If he is successful in growing a good crop, long before he can offer any portion of it to the consuming public our statisticians in the Department of Agriculture have broadcast the fact to the world—sold the price down on top of his head. That is the trouble with agriculture today. We have too many economists and too many statisticians. [Applause.] I hope we will get rid of one of them today.

I am operating today an 800-acre farm, every foot of which is under the plow. I do not require any representa-

tive at Rome. The figures can be collected from the trade in this country. My crop happens to be beans. We raise 75 percent of all the white beans grown in the United States in the State of Michigan. I am able to obtain in Europe the crop acreage as soon as it is planted.

I never heard in my 30 years of experience of any agricultural institute at Rome until I came here. I was able to get the figures with reference to the product I handled. I was able to get them from Greece, from Holland, from France, from Rumania, and points in the Far East. I had a clear picture before me of what was going on in Europe and the Near East with reference to beans. I knew what was grown in Manchuria and in Japan and China, and yet I never heard of the Agricultural Institute in Rome until I came to this Congress and was assigned to the Committee on Appropriations and to the bill where the Agricultural Department gets its money. [Applause.]

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. FISH. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. JOHNSON].

Mr. JOHNSON of Minnesota. Mr. Chairman, I am sorry that we should take up so much time of Congress with only \$48,000. There are greater things to talk about than that, but I want to say to you that when you say we are going to send a delegation over to Rome to get information, you are badly mistaken. I do not care where you send them over in Europe, they will get some information. There is no question about that, but we have had enough information about agriculture and how to raise these wonderful things that we can produce in this country.

I have known conditions in Europe. I was born and grew up over on the other side of the Atlantic, and I have gotten information about what they are doing over there the last 40 years. But I say that when this gentleman from Ohio, an attorney or business man, or whatever he is, talks about the great attendance of farmers at the extension meetings of the great agricultural colleges, and so forth, he does not dare deny that the people do not attend them as much as they did at one time. I know two of the leading speakers, supervisors in my own State of Minnesota, who have told me personally that this work has been overdone.

When I get up in the morning and turn on the radio there is information about the prices of hogs and cattle and grain. If I turn on the radio at noontime, there is more information, and also until midnight. We get all the information we want. The trouble with us is that we have been raising too much, and if you farm with common horse sense, you do not need so many experts around your neck. [Applause.] I repeat the statement I made on the floor of Congress yesterday, that I do not belittle the efforts of these people who are trying to raise a better cow or a better sow or a better hen—

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. JOHNSON] has expired.

Mr. FISH. Mr. Chairman, I yield 1 additional minute to the gentleman.

Mr. JOHNSON of Minnesota. One minute is not sufficient time to make the remarks which I would like to make. I say to you I have gone into the Red River Valley of Minnesota and North Dakota and seen millions of bushels of potatoes rotting in the ground because of overproduction. When God Almighty gives us rain and sunshine we can raise it. Our problem is to get an honest and fair price on the markets in this country. If you attorneys and other professional and business men will see that we have a market for our products and see that we farmers get the cost of production plus a little profit, you can go home with the satisfaction that the farmers are going to produce enough so that the people of this country will live. [Applause.]

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. JOHNSON] has again expired.

Mr. FISH. Mr. Chairman, I yield 2 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, I rise in these 2 minutes simply to discuss the statement that was made by the gentleman

who just preceded me, that all the agricultural information that is put out over the radio and in other ways by our Department of Agriculture originates in the International Institute of Agriculture. I am sure, if the gentleman, whom I know wants to be correct in his statements, will look into the matter, he will find he is very much mistaken about this.

Mr. BLOOM. I did not say that.

Mr. HOPE. I so understood the gentleman, and, whatever his exact language may have been, its clear implication was as I have stated it. We may get some information from the International Institute of Agriculture, but I venture to say that the International Institute of Agriculture gets 10 times more information from the United States Department of Agriculture than the Department of Agriculture gets from that institution.

We have in every country of the civilized world the American Consular Service, which is at the beck and call of the Department of Agriculture and the Department of State, to obtain any agricultural information which may be desired. We have in the Bureau of Agricultural Economics our foreign agricultural service, with its attachés in all the principal countries of the world and with ample facilities to get all the information we may need from other countries. We have the Department of Commerce, with its far-flung organization equipped to secure such data as we may need with regard to production and markets. And in the Bureau of Agricultural Economics, in the Bureau of Plant Industry, and in all the other great bureaus of the Department of Agriculture we have able and experienced men to coordinate this information and get it before the farmers of the country. This great organization of our own—not the institute at Rome—is the source of our agricultural information. [Applause.]

[Here the gavel fell.]

Mr. FISH. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. FOULKES].

Mr. FOULKES. Mr. Chairman, I am a new Member from Michigan, and this is the first time I have said a word on the floor of this House. I am a farmer. I farm more land than any other individual in that State. My family members have 80,000 acres of land, all under cultivation, and I want to say to these statesmen assembled here today that I think I understand the farming business.

I have sat here for nearly 90 days listening to arguments on agriculture as a member of the great Agriculture Committee and under the leadership of our distinguished Chairman, Mr. JONES, of Texas, I have labored hard and conscientiously in an honest effort to assist in framing sound legislation. I want to say to you that in my humble judgment most of your arguments are unsound and you do not understand the farming problem.

I want to appeal to those Broadway statesmen and to the statisticians and to these professors of the Agriculture Department and other departments to let us farmers alone. [Applause.]

I have heard more misinformation on that subject in the last 60 days than I ever knew existed anywhere.

As far as this bill is concerned, I want to say that I never heard of this association, this Institute, before in my life. If it is performing any functions, or has been of any benefit to me, I do not know it. Let me say further that if I could I would abolish the Agriculture Department. [Applause.] It is a nuisance and a delusion and a snare. You Broadway gentlemen ought to let us farmers alone. We know what we want, and if you will give us a little friendly cooperation, we will straighten out the agricultural question. [Applause.]

Mr. FISH. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, no one has yet told us why we should have these consular agents in every State and town in the world to get information in reference to all subjects pertaining to agriculture, representing the Department of Agriculture all over the world, representing the Department of Commerce all over the world, and still have to have an Institute of Agriculture from which we get something else. Is it not about time we developed our efforts

with some kind of concentration in making our consular and agricultural officers perform more service, instead of getting into something else and spending more money? [Applause.] We are never going to help the farmers unless we stop this kind of monkey work. [Applause.]

Mr. FISH. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, I ask unanimous consent to speak out of order for the balance of time.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Chairman, today's newspapers include an Associated Press report that the Finance Minister of Italy, Mr. Jung, who recently visited this country to discuss world economic problems, has just returned to Italy, and the day following his return he went before the Italian Parliament and urged a debt reduction of 80 percent by all nations which owe us money on war debts. I feel that this is the proper place and proper time, at least, to present the American point of view and to protest any attempt by the Italian Government to dodge its just debts to the United States.

Mr. HOEPEL. Mr. Chairman, will the gentleman yield?

Mr. FISH. I cannot yield in 8 minutes on this subject. We showed more liberality and generosity to Italy in the settlement and adjustment of the war debts than to any other country. We reduced the war debt to Italy 75 percent and asked her to pay only 25 percent, in comparison to the settlement with Great Britain, which is on an 80-percent basis; with France, which is on a 50-percent basis; and Belgium, which is also on a 50-percent basis. The Italian war-debt settlement was by far the most generous that we made. Yet the same Italian minister, Mr. Jung, who came over here as the guest of our Nation, largely, so it developed, as the guest of the Democratic Party, as soon as he returned to his own land, goes before his Parliament and proclaims that not only Italy but that all the Allied Nations should have a reduction of 80 percent on the war debts due the United States. He said, "We are not able to pay."

The record shows that we loaned to Italy 60 percent of her war indebtedness after the armistice was signed, or \$1,031,000,000 prior to the armistice and \$617,000,000 postarmistice. Yet Finance Minister Jung comes along now and says that Italy is not able to pay, in spite of the fact that we have reduced the debt by 75 percent, and claims that we must reduce it 80 percent. Whether he means 80 percent of the remaining 25 percent or 80 percent of the whole debt it is difficult to tell from the Associated Press report. The basis of his argument is that Italy has not the capacity to pay. I think it would have been fairer to state that she did not have the willingness to pay. Yet the Italian Government, at the present time and for the last 3 years, has been spending more on its naval armaments than either Great Britain or Japan. The following are the figures showing the appropriations for new naval construction in Italy, British Empire, Japan, and France:

Italy: 1930-31, \$31,600,000; 1931-32, \$37,100,000; 1932-33, \$38,100,000.

British Empire: 1930-31, \$30,500,000; 1931-32, \$21,500,000; 1932-33, \$33,700,000.

Japan: 1930-31, \$40,800,000; 1931-32, \$33,500,000; 1932-33, \$26,900,000.

France: 1930-31, \$39,400,000; 1931-32, \$34,600,000; 1932-33, \$29,700,000 (for 9 months only).

These figures submitted by our naval intelligence show that Italy, which never has been a naval power, is spending more money for new construction than the British Empire or Japan.

I was told just a few moments ago that the President of the United States made a statement yesterday that if he had any recommendations to make or if any recommendations were made to him, in regard to a reduction in war debts, he would take it up with the Senators. I am afraid, if that statement is correct, that the President is under an erroneous impression that the war-debt settlements or adjustments are treaty matters that must go to the Senate.

The war-debt settlements were initiated in the House of Representatives, and they must come back to the House of Representatives for revision and the consent of Congress must be had if there is to be any change or modification of the settlement with Italy or any other nation. The matter should come back here to the Ways and Means Committee and be considered there. If we want to reverse ourselves, that is our privilege. I am not one of those die-hards. I believe there should be certain adjustments in the war debts, particularly with Great Britain; but it seems to me almost an act of impertinence for the Finance Minister of Italy, the day after he gets back from his visit here, to go before the Italian Parliament and demand that there should be a reduction of 80 percent, in spite of the fact that we have been almost overgenerous with Italy in comparison with every other country in the world. The resolution before us authorizes the expenditure of \$48,500 to pay our share toward the maintenance of an International Institute of Agriculture at Rome. Perhaps we might save something out of the Italian war debt by saying that we will adjust these debts and let Italy pay the \$48,500.

It is apparent to me that Italy does not propose to pay any of the war debt, but expects to cancel it, and that too is indicated in the statement of Mr. Jung, the Italian Finance Minister, according to the press reports today. He proposes a reduction not only of 80 percent, but in a part of his speech to Parliament an actual cancelation of the war debt. It is time for the Congress of the United States to discuss this war-debt issue and let foreign nations and their people know that there is an American side to it. I know of no better or more proper place to discuss our relations with foreign nations than the floor of the House of Representatives and thereby at least inform our people back home. I believe in the old Wilsonian doctrine of open covenants openly arrived at. We did not start the World War. We went over there and changed the tide of defeat into one of victory. We asked for nothing and that is exactly what we got—nothing at all—no plunder, no conquered territory, no indemnities, and no reparations but the allied nations are united in wishing the financial burden of the war on the backs of the American people. Italy got the Tyrol and Fiume, and parts of Africa. We all know what England and France took as their share of the spoils of war. If these nations want a reduction in their war debts, it is proper for them to discuss it with our representatives, but not while spending vast sums on naval and military armaments to plead incapacity to pay anything and to demand cancelation.

Mr. HOEPEL. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. HOEPEL. The gentleman says that we received nothing as a result of the war. We did receive something. We received the name of Shylock.

Mr. FISH. We got just what we get in every international conference that we have gone into. We have always got it in the neck in every foreign conference, and probably always will, and that is why the American people have so little faith in any international conference. Before we actually enter into these conferences there are secret military treaties, threats of repudiation of debts and agreements made in advance and often never known.

What is the significance of the statement made by Mr. Jung. Was there any discussion of the war debts between the Italian Finance Minister on his recent visit to Washington and the "brain trust?" Is this proposal a part of any agreement or even suggestion on the part of anyone in the American Government, or is it merely an attempt to feel out public opinion in the United States? No member of the opposition or Republican Party was even invited to attend the conferences with foreign statesmen held at Washington even as an observer. The administration for the first time since the Civil War has carried partisanship to such a degree on international issues that the opposition only learns the facts from the newspapers or from statements made by foreign diplomats or contained in European press dispatches.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. BLANTON. This committee report shows that we have gotten it in the neck in this conference at Rome, and since 1928, because we did get it in the neck, we have not participated at all.

Mr. KELLER. Why do we get it in the neck?

Mr. FISH. Because before we actually get into these conferences, before we participate, we find other agreements have been made, whether they be tariff agreements, as you read in the newspapers a few weeks ago or secret military treaties, and in this case, the Finance Minister of Italy, Mr. Jung, evidently was not speaking alone for Italy, but was speaking for the allied nations. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired. All time has expired and the Clerk will read.

The Clerk read as follows:

Resolved, etc., That the sum of \$48,500, or so much thereof as may be necessary, is hereby authorized to be appropriated annually for the expenses of participation by the United States in the International Institute of Agriculture at Rome, Italy, to be expended under the direction of the Secretary of State in the following manner:

(1) Not to exceed the equivalent in United States currency of 192,000 gold francs for the payment of the annual quota of the United States for the support of the institute, including the shares of the Territory of Hawaii, and of the dependencies of the Philippine Islands, Puerto Rico, and the Virgin Islands.

(2) Not to exceed \$7,500 for the salary of a United States member of the permanent committee of the International Institute of Agriculture.

(3) Not to exceed \$5,500 for rent of living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (46 Stat. 818); compensation of subordinate employees without regard to the Classification Act of 1923, as amended; actual and necessary traveling expenses; and other contingent expenses incident to the maintenance of an office at Rome, Italy, for a United States member of the permanent committee of the International Institute of Agriculture.

During the reading of the House joint resolution the following occurred:

Mr. GLOVER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GLOVER. I should like to ask at what point amendments might be offered; whether at the end of each paragraph or at the end of the section.

The CHAIRMAN. After the bill has been read in its entirety. There is only one section in the bill.

Mr. BLANTON. Mr. Chairman, there is a proper motion in order at this juncture, and I make it. I move that the committee do now rise and report this bill back to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The motion of the gentleman is not in order until the section has been entirely read. There is only one section in the bill.

Mr. FISH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FISH. I trust the Chairman will recognize members of the committee to offer amendments at the conclusion of the reading of the bill.

The CHAIRMAN. The Chair will endeavor to follow the rules and precedents of the House.

The Clerk concluded the reading of the bill.

Mr. FISH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FISH: On page 1, line 4, after the word "appropriated", strike out the word "annually."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. FISH].

Mr. FISH. I should like to be heard briefly, Mr. Chairman.

Mr. McREYNOLDS. Mr. Chairman, I have no objection to the amendment.

The amendment was agreed to.

Mr. ALLEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ALLEN: On page 2, line 5, after the word "exceed", strike out "\$7,500" and insert in lieu thereof "\$5,000."

Mr. ALLEN. Mr. Chairman, the International Institute of Agriculture was proposed by an American citizen, David Lubin, of California. Believing in its importance he succeeded in obtaining the support of the King of Italy, who, in 1905, invited most of the Nations of the World to send delegates to an international conference in Rome to consider the formation of such an agricultural organization. Henry White, Ambassador to Italy, was the delegate from the United States. The conference was attended by delegates from 40 countries. The United States ratified the convention in 1907. The Institute was established in Rome, where it occupies a building provided for its use by the Italian Government.

The purposes of the institute are:

(a) Collect, study, and publish information concerning farming, the commerce in agricultural products, and the prices prevailing in the various markets.

(b) Indicate wages paid for farm work throughout the world.

(c) Make known the new diseases of vegetables and farm products which may appear in any part of the world, showing territories infested, the progress of the disease, and, if possible, the remedies which are effective in combating them.

(d) Submit to the approval of governments measures for the protection of the common interests of the farmers.

In my opinion, there is not any question as to the practical benefit obtained. Its work is fundamentally strong and the service that it renders to our Government is very valuable. The Chief of the Bureau of Agricultural Economics wrote on June 7, 1932, as follows:

The official estimates of acreage, crop conditions, and production are of great value to the Department of Agriculture and the State agricultural colleges.

At no time has there been so many requests from farmers for information on world conditions.

The annual appropriation for the support of it for the United States has varied in the period 1922-28 between \$29,577 and \$68,340.

You are all aware of the plight of the farmer. One of the major causes of this crisis is overexpansion of world agriculture. Our own production expansion must be adjusted in the light of world competition and demand. It is necessary that we export some of our output and also meet foreign competition in our own markets. It is therefore important that our farmers have reliable information on world agricultural conditions.

I am in accord with the resolution, with the exception of the increase in salary for the United States member. Since our entrance in 1905 the salary of the member has been \$5,000 per year, with a reasonable allowance for light, heat, and quarters. To the best of my judgment, this is the first resolution that has been brought into this House asking for an increase. It has been explained to me by several of the Committee on Foreign Affairs who are in favor of this resolution in its entirety that \$5,000 is not sufficient to obtain the services of a competent man; that former members were of great wealth and the money phase of it was immaterial. They further told me that a man in that position must entertain lavishly. My friends, I would ask you if any Member of this Congress can conscientiously raise the salary of any United States employee 50 percent in order that he may entertain extravagantly, when only the past month we have reduced the compensation of the \$1,000-a-year scrubwoman 15 percent, the total-disabled war veteran all the way from 20 to 100 percent? When for economy sake we are retiring efficient men from the Government service because—and only because—they have given 30 years of honest and efficient service.

I would ask you when this Government has seen fit also to take the pension away from thousands of widows of veterans—I have been told that many widows of those heroes who gave their lives with the fall of the *Akron* will receive but \$22 per month—when it has seen fit to reduce our national defense, how can any Member explain a vote to increase the salary of an employee 50 percent when the administration is crying "economy"?

I would respectfully ask my friends that you be consistent with yourselves, to be fair with those who have been compelled to sacrifice during this emergency, and to vote to keep the salary the same as it has been for over 20 years instead of raising it 50 percent, which this resolution provides.

The amendment was agreed to.

Mr. GLOVER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the amendment just adopted, offered by the gentleman from New York [Mr. FISH], is identical with an amendment that I had sent to the desk and which I intended to offer. Of course, I realize that the committees are entitled to all the honor of amending a bill which they bring in here, but I rather think they should bring it in right in the first place, without a proposition of carrying an appropriation forever hereafter. Just why that language was permitted I cannot understand, unless they wanted to keep this question from coming before the Congress hereafter. I am very glad indeed that it has been aired on the floor of this House.

Now, I was born and reared on a farm. I know agriculture, and I doubt if there is a man here who is a farmer by practical experience who could point out one particle of good that has ever been accomplished by the expenditure of this money. Forty-eight thousand five hundred dollars a year from the time this was entered into makes an enormous sum of money that has been spent on this. That institution over there in Italy will get up a great scare about a brown-tail moth and you will appropriate thousands and thousands of dollars to exterminate something of that kind. If you could get a cross between a bollweevil and a brown-tail moth, you could come here and get \$50,000 a year to exterminate it. That is where those things come from. They come from institutions of this kind. I say to you that agriculture is charged up with all of these expenses. Then they say, "Just look what they are doing for agriculture."

We have had a very nice confession this morning from three or four Congressmen, and the balance of us could make the same kind of confession when we were here fresh, as they are. I doubt if 5 percent of the people who have come to Congress in the last 5 years knew that there was such a thing as that institution in existence. The farmers do not know it. They know they are getting no good from a thing like that. I believe the gentleman sounded a warning note this morning when he said we should let them alone in many respects. I say we are hampering them with legislation sometimes.

Mr. FORD. Will the gentleman yield?

Mr. GLOVER. Yes; I yield.

Mr. FORD. I think I understand the farm question. If all the men who have stood here and said they were farmers do not know any more about the farm question than their remarks have indicated, it is no wonder the farmer is in trouble.

Mr. GLOVER. The gentleman is not referring to me, because I can take him out and lay off a straighter row through new ground than he can carry a bridle through. I know the character of farmer that I am, and I am not like my good friend from New York [Mr. BLOOM], who farms on Broadway, right up in front of the great Morgan Building, where they raise everything in the way of finances and nothing in the way of crops. What New York needs to do is eat more and talk less about agriculture. [Laughter.]

Mr. BLOOM. Will the gentleman yield?

Mr. GLOVER. I yield.

Mr. BLOOM. From what I understand of this bill, knowing as much about it as I do, I can understand why farmers such as the gentleman refers to are in the position they are today.

Mr. GLOVER. Oh, if the gentleman knew what he was talking about, he would know that the farmer is in the condition he is today because he has been following expert advice coming from great cities like New York, and not taking the practical thought of the farmers and putting it into execution. I am speaking of the actual farmer.

Mr. WEIDEMAN. Mr. Chairman, will the gentleman yield?

Mr. GLOVER. I yield.

Mr. WEIDEMAN. About all they raise on Broadway is wild dogs.

Mr. GLOVER. Oh, they raise lots of heck up there. They raise everything except corn, wheat, potatoes, and things that are good to eat.

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. GLOVER. I yield.

Mr. BLOOM. Will not the gentleman admit we are pretty good contributors to the farmers?

Mr. GLOVER. You fellows certainly have good appetites; you look healthy; you look as though you fed well. The farmers have been treating you pretty well, and the city folks should think of the farmers' interest.

Mr. BLOOM. That is what I am stating.

Mr. BOYLAN. Mr. Chairman, will the gentleman yield?

Mr. GLOVER. I am always glad to yield to any of the gentlemen from New York, because they are great farmers.

Mr. BOYLAN. What would happen to the farmers if it were not for the people of the great cities of this country who eat your produce and drink your milk?

Mr. GLOVER. Yes; and what is going on now? The farmers' milk is being dumped by the roadside.

Mr. BOYLAN. You farmers have got to depend upon the cities. Does not the gentleman know to be facts these things I have stated?

Mr. GLOVER. No; I do not know all of them to be true.

Mr. FISH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FISH: On page 1, line 3, strike out "\$48,500" and insert in lieu thereof "\$46,000."

Mr. FISH. Mr. Chairman, I do not think there will be any objection to this amendment. It puts into effect in the total amount appropriated the theory of the Committee in adopting the previous amendment striking \$2,500 off the salary.

Mr. McREYNOLDS. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. McREYNOLDS. A mistake was made in reporting the bill in that the total was not raised by \$2,500 to provide for the \$2,500 raise in salary.

Mr. FISH. By its action on the last amendment, the Committee struck \$2,500 out of the salary provision of the bill.

Mr. McREYNOLDS. But it was not taken up the other time. The bill as originally drawn provided for a total of \$48,000, with a salary of \$5,000. When it was amended, making the salary \$7,500, the total was not changed. This was a mistake. The present total is the correct total with the salary carried at \$5,000.

Mr. FISH. I do not know that I follow the gentleman. This seems to be getting complicated; \$2,500 has been taken off the salary. Should we not also take it off the total of the bill?

Mr. McREYNOLDS. As I stated, the original bill, as the gentleman knows, carried a total of \$48,000.

Mr. FISH. The gentleman means the Republican bill?

Mr. McREYNOLDS. Yes; the Republican bill, if the gentleman desires to call it such. The salary was raised to \$7,500, but through mistake it was not reflected in the total. I trust the gentleman will withdraw his amendment.

Mr. BLANTON. The whole thing has been a mistake.

Mr. FISH. Mr. Chairman, in view of the gentleman's explanation, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BLANTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: On page 2, line 12, after the semicolon, strike out "actual and necessary traveling expenses."

Mr. BLANTON. Mr. Chairman, if these words "traveling expenses", which permit junketing, are stricken out, I am willing to vote for the resolution. For in my judgment there is involved in such words, "traveling expenses", at least \$30,000 in this bill for junketing over Europe.

Mr. McREYNOLDS. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Just a moment. I cannot yield, when the gentleman, as chairman of the committee, controlled all of the time on the Democratic side and refused to yield to us who oppose the bill.

Mr. McREYNOLDS. I wish to correct the gentleman's statement.

Mr. BLANTON. I know what I am talking about. These departments may fool the gentleman from Tennessee with their bills drawn in technical language, but they cannot fool me. I have been looking after these appropriations for 15 years. I know how to hunt and find the sneakers the department sends up here for passage.

Now, I call your attention again to the information I got from the State Department yesterday.

Our quota or contribution to this Institute in Rome in 1930 was \$4,713. For 1931, it was \$4,722.55. For 1932 it was \$4,689. How much is it this year? We have not paid it yet. They have increased it so that this year it is \$5,400.

I got this information from the State Department. It ought to be authentic. The chairman and Mr. BLOOM say \$38,400 is our quota to this Institute. That is not so, unless we are to do a most foolish thing and give the Italians \$33,000 more than they should receive. I got my figures from the State Department, sent to me by Mr. Carr, and they are correct.

Our quota for this year, 1933, is only \$5,400. It is not \$38,400. The other part of this appropriation, or at least \$30,000, is for traveling expenses of experts in the Department of Agriculture and in the State Department, and possibly somebody else, and I will prove this to you.

Mr. BLOOM. Will the gentleman yield?

Mr. BLANTON. I always yield to my friend from New York. I think he is one of the fairest men on the floor.

Mr. BLOOM. I thank the gentleman very much. Let me explain to the gentleman that the reason that is \$4,000 at the present time is because at the time we entered into this treaty obligation the gold franc was then worth five times what it is today.

Mr. BLANTON. Then the gentleman admits that instead of paying \$4,000 we are going to pay \$38,400; is that right?

Mr. BLOOM. Will not the gentleman please let me explain?

Mr. BLANTON. Yes; but that is too much of an increase. I would rather the gentleman would explain it in his own time, because I want to use the rest of my 5 minutes.

I want you to again look at page 4 of Chairman McREYNOLD's report, the report he brings in here as being authentic, and in the second paragraph you will see where they say that since 1922 they have spent all the way from \$29,000 to \$68,000 a year on this institute.

Mr. BOILEAU. Will the gentleman yield?

Mr. BLANTON. I have not time to yield in 5 minutes.

Now, they say that this was for the purpose of paying their annual delegate and sending delegations to the biennial meetings of the general assembly. What does "sending delegations" mean? It means these junkets for these experts in the Department of Agriculture and the State Department—and I am reading this from his report—"sending delegations to the biennial meetings."

If we are just going to have a resident delegate in Rome, why should we provide traveling expenses? Why should we not strike out the traveling expenses? And in my honest judgment there is \$30,000 wrapped up in the traveling expenses that I am seeking to strike out. If you will help us strike out these five words, I will vote for your resolution.

Mr. BLOOM. All right; they are out.

Mr. BLANTON. All right; I will vote for the resolution if you will strike them out; because if you strike them out, you will strike out the junketing, and that is all I am after,

Mr. BLOOM and Mr. BOILEAU rose.

Mr. BLANTON. Then the gentleman agrees to strike this out?

Mr. BLOOM. No; I do not.

Mr. BLANTON. Oh, I knew they would not do it. I knew that the junketing part of the bill is the heart of it. Sending these annual delegations to Rome is what they want to keep in this bill. That is the reason I made them a fair proposition. Was not my proposition fair?

Mr. BLOOM. The gentleman will not listen to me.

Mr. BOILEAU. Will the gentleman yield?

Mr. BLANTON. Mr. Chairman, have I the floor or not?

The CHAIRMAN. The gentleman from Texas has the floor. Does the gentleman desire to yield?

Mr. BLOOM. Will the gentleman yield?

Mr. BLANTON. I yield always to the gentleman from New York.

[Here the gavel fell.]

Mr. BOILEAU and Mr. OLIVER of Alabama rose.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin.

Mr. BOILEAU. Mr. Chairman, I want to call the attention of the Membership of the House to the fact that the gentleman from Texas has made a very grave error in his criticism of this paragraph of the bill. You will notice that paragraph 3, on page 2, provides that not to exceed \$5,500 shall be used for rent, living quarters, traveling expenses, and so forth.

Mr. BLANTON. Then there is a semicolon.

Mr. BOILEAU. This is in paragraph 3. So all of the entire appropriation for all the purposes of paragraph 3 totals \$5,500. So I cannot see how it is possible to save \$20,000 or \$30,000 out of a \$5,500 appropriation. I may be in error, but it seems to me that the wording of this paragraph is very clear. In other words, only \$5,500 is appropriated for all the purposes outlined in paragraph 3; and any of the expenses of any so-called "junketing" to which the gentleman from Texas has been referring, must of necessity come under the general provision of the first part of the bill.

Mr. BLOOM. Will the gentleman yield?

Mr. BOILEAU. I gladly yield.

Mr. BLOOM. When the gentleman from Texas asked me a question and I said I would prove my statement to him and would go along with him, I wanted to explain the mistake the gentleman from Texas had made and confirm what the gentleman has already said that the total amount of all the expenses of the office, traveling and everything else, included in paragraph 3, cannot, in any event, exceed the sum of \$5,500. The idea is that the actual and necessary traveling expenses and other contingent expenses incident to the maintenance of an office in Rome, including clerk hire, office rent, traveling expenses, and other expenses of the representative, must come out of the \$5,500, and this is exactly the meaning and intent of this clause.

Mr. BOILEAU. I am glad the gentleman has brought out what I thought was the obvious intention of the committee. To me it is so clear that it does not need explanation, and I think the gentleman from Texas must be a Houdini if he is going to save \$20,000 or \$30,000 out of a \$5,500 appropriation.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. BOILEAU. Yes.

Mr. COCHRAN of Missouri. If that statement be true—and from the wording of this bill it seems to be true—then you have provided for a \$7,500 salary for the representative which has been reduced to \$5,000, by a recent amendment, and you have \$4,000 plus as our share under the treaty. What are the items that go to make up the \$48,000?

Mr. BOILEAU. The rest of the expenditure comes out of the authorization in the first paragraph of the bill.

Mr. COCHRAN of Missouri. No; the language is "in the following manner."

Mr. BOILEAU. The language is that the sum of \$48,500, or so much thereof as may be necessary, is hereby author-

ized to be appropriated for the expenses of participation by the United States in the International Institute of Agriculture at Rome, Italy, to be expended under direction of the Secretary of State in the following manner.

Mr. COCHRAN of Missouri. And that is subject to three provisos and you cannot go beyond the three provisos, so what are you going to do with the money?

Mr. BOILEAU. I am glad the gentleman brought out that point, because paragraph 1 provides for a contribution toward the maintenance of the Institute, and \$5,000 in paragraph 2, and \$5,500 in paragraph 3.

Mr. BLANTON. What becomes of the balance?

Mr. BOILEAU. I am bringing this up for the consideration of the House because the amendment offered by the gentleman from Texas does not do what he is trying to do.

Mr. McFADDEN. I want to call the gentleman's attention to lines 4 and 5 on the first page of the bill, authorizing an appropriation for the expenses of the participation by the United States in the International Institute to be expended under the direction of the Secretary of State.

[Here the gavel fell.]

Mr. OLIVER of Alabama. Mr. Chairman, I move to strike out the last two words. I am Chairman of the Appropriation Subcommittee to which this bill will be referred if passed. May I make this observation. I think the gentleman who has just spoken is entirely correct in his interpretation of the resolution.

It contains only one section and the subdivisions 1, 2, and 3 simply place very definite limitations on the authority of the Secretary of State as to the expending of any appropriations that Congress may make thereunder. He is authorized, if Congress appropriates that much, to expend \$38,400 under subdivision 1 only in payment of the annual quota of the United States for the support of the Institute, including the quotas due from Territory of Hawaii, the Philippine Islands, Puerto Rico, and the Virgin Islands.

Subdivision 2 limits the salary expense to \$7,500. You have just amended that so as to limit it to \$5,000. That is to say, the salary of the representative stationed in Italy cannot exceed \$5,000.

The next limitation is fixed by subdivision 3, at \$5,500. These amounts added together make the total of \$48,400, which is the maximum amount authorized to be appropriated under the further limitations imposed by subdivisions 1, 2, and 3. As amended the resolution only authorizes an appropriation for the fiscal year 1934; the word "annually" has been stricken out, which would have perpetuated it. I think the House understands the very clear statement made by the chairman of the committee in which he gave positive assurance that this resolution comes to the House at the insistence of, and with the full approval of, the President of the United States. You will also find that he has communicated with other Members of the House and indicated his desire for the passage of the resolution.

If you will read the report of the Secretary of State, you will find that the appropriation here sought to be authorized will be used largely during the next fiscal year for the purpose of securing information to aid the conference that is to meet in London in June, because, he states, it is for the purpose of stabilizing the world farm conditions.

The President has delivered a message to the American people along that line, and that is why at this time I feel it is important that this authorization which he has requested be passed so that the Appropriations Committee may study what appropriations are required to meet the President's wishes; and all of that will be brought to you in detail in connection with any appropriation reported.

Mr. FISH. Will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. FISH. I agree with what the gentleman has said in regard to sections 2 and 3, but will the gentleman inform the House exactly how much in American dollars we must pay to participate in this thing?

Mr. OLIVER of Alabama. My information is that we are authorized to pay such sums as the treaty agreement en-

tered into in 1905 may require the United States to contribute.

Under that agreement as now interpreted, this amount cannot exceed \$38,400. That includes not only continental America, but Hawaii, the Philippines, and Puerto Rico.

Mr. LOZIER. Is it not true, as clear as the English language can make it, that of the \$48,500 authorized, \$38,000 is in payment of our treaty obligations, \$5,000 in payment of salaries, \$5,500 in payment of expenses, including traveling expenses?

Mr. OLIVER of Alabama. The Appropriations Committee will certainly place that interpretation upon this resolution, and the committee that brought in the legislation understands that that is the sole purpose of it.

Mr. BLANTON. Is it not a fact that since 1906 our quota has never yet in any year been over \$11,000?

Mr. OLIVER of Alabama. I think the gentleman is in error.

Mr. BLANTON. I mean the quota we pay them for their expenses.

Mr. OLIVER of Alabama. In years prior to 1923 there had been carried various sums, sometimes amounting to more than \$60,000.

Mr. BLANTON. But that was expenses. I got the breakdown from the Department of State.

Mr. OLIVER of Alabama. The Department of State submitted last year to the committee, I think, an itemized statement in which it was indicated that this amount would be necessary, under a resolution adopted by the institute at its last meeting, as our quota.

Mr. BLANTON. And it is \$5,400 as fixed by the institute for this year.

Mr. GRAY. Mr. Chairman, I move to strike out the last three words. I confess that I am not so much interested in striking out the last three words as I am in having the last three words. We have true economy and false economy. We have economy gestures and economy maneuvers. We have economy on small things and waste and extravagance on large things. I confess that I am growing tired and weary in this House of voting for trivial economy, and I propose to break the monotony by voting for this bill. In the meantime I realize that we are now approaching Rome, where this world agricultural institute supported by all agricultural nations of the civilized world is located, and that we must do as Rome does. I promised my constituents, acting on the advice of the exalted leaders on this side of the House, that I would vote against all so-called "gag" rules. I have voted constantly on the advice and instructions of the President and administration leaders for every gag rule in this House. [Laughter.] I have come to the conclusion that the Democrats of this House are about as inconsistent, almost, but not quite, as the Republicans of this House. The leaders in Congress on both sides of the Chamber loudly proclaim against the gag rules when they are out, but declare the virtues of so-called "gag rules" when they are in. It is largely a question of the ins and the outs.

Mr. Chairman, we are in the current of human progress. The nations are being carried on and forward like the fragments of an ice floe, seaward in advancement. Transportation, communication, and the diffusion of knowledge have brought the world together in the tide of civilization. Humanity is striving and struggling in a stream flowing upward. We cannot falter. We cannot lag or fall behind. We must keep pace with the world progress and advancement and civilization. I cannot see my way clear here today to vote to take away from agriculture the benefits of the research in the agricultural world. Belated primitive agriculture is everywhere enlisting and mobilizing in the march of chemistry and the natural sciences to promote the growth and development of plant life and animal industry.

I am not in sympathy with the program of public economy which would deny to American agriculture the benefit of world research and demonstration, coming more vital in farming and in the cultivation of the soil from day to day. The result of one experiment or one demonstration in the

eradication of plant parasites or the treatment of animal infectious diseases made available to our 40,000,000 farm population and dependents may be worth a thousand times the small pittance required here to maintain our membership in that highly developed and organized institute or research body to the farmers of a single county or an integral part of a single State.

We are maintaining costly and expensive Consular Service in every country in the world in the interest of our manufacturers, commerce, and trade. And the appropriations to maintain that service mounts up in the myriad thousands and no substantial part of which is to be withheld or withdrawn on the grounds of economy.

Farming is a great basic industry and in which more people are engaged than in any other single calling, and which, by the very nature of the occupation, the isolation and singleness of the individual operations and the want of opportunity for research by experiment and observation, and within the reach of other industries coordinated under system and organization, is without the opportunity of proper facilities open to men engaged in other trades and callings. The amount called for here is a mere grain of sand to the vast amount of money appropriated for other industries assuming higher prestige and claiming greater consideration.

But the chairman of this committee, of which I am a member, advises me and assures me that this involves a treaty obligation to maintain which in good faith as a binding obligation upon the United States, must be met. As a member of this committee I am therefore constrained and in duty bound to uphold and maintain the credit of the Nation upon its obligations. If participation in this agricultural research institute by this treaty provided for, is not a wise undertaking or of substantial advantage to American agriculture, then the treaty-making power should be importuned to withdraw from the union long adhered to and the international obligation be abrogated in proper form and in a way to maintain faith and credit in the community of nations until so terminated.

The tax burden, which we are all compelled to recognize here, prompting the strain of economy and casting its withering shadows over progress, human advancement, and civilization of the world and including this country, has resulted more from the failure and destruction of the tax-paying power, than the amount assessed and levied and appropriated for public expenditures.

When the President shall have exercised the powers conferred upon him by this Congress to expand and restore the volume and supply of money and credit, secretly contracted and withdrawn from circulation over 12 years ago by the international and manipulating bankers still maintaining their domicile and residence within the United States, and the mere announcement of which has prompted a rise of values, the price level, and the wage scale, psychologically on anticipation, the rise will be continued upward to a conservative stage, restoring the earnings and income of the people and not only the tax-paying power, but the interest-, debt-, and mortgage-paying power and the buying and consuming power.

When these powers conferred are exercised, and they must be exercised promptly and without delay to stay the rising tide of discontent and assure the public mind, and without which the advantage gained by the rise will be lost, the blight of this tax burden impoverishing and dwarfing the agencies and institutions of peace and civil life, the schools and systems of public education, the orders of benevolence and all the charities that soothe, heal, and bless, will lift, rise, and pass away like the morning mist before the noon-day sun.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Chairman, I now make a preferential motion that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out, and on that I demand recognition.

Mr. TABER. Mr. Chairman, before the gentleman begins will he yield to me for a question?

Mr. BLANTON. Certainly.

Mr. TABER. It seems from page 6 of the report upon this resolution that our treaty obligation is \$4,800 per year.

Mr. BLANTON. It should not be over \$5,400.

Mr. TABER. And for a while, from 1926 to 1929, we were paying \$11,527. The object of this bill is to increase that contribution up to \$38,000.

Mr. BLANTON. That is what they say. But I am not in favor of doing it.

Mr. TABER. No one has explained the bill and just what it means. That is what it means.

Mr. BLANTON. I cannot yield any more. In Mr. Carr's statement he says our contribution for 1930 was \$4,713; for 1931, \$4,722; for 1932, \$4,689.33; and he estimates for this year, although he has not paid it yet, \$5,400. That is our contribution. That is all on God's earth there is any law or treaty or anything else which authorizes payment by this Government.

Mr. KLOEB. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. No; I regret I cannot. I have not the time.

This \$48,500 is going somewhere. Who is going to get it? They say they are going to increase this quota from what Mr. Carr says we should pay of \$5,400 to \$38,400. Why? Are you willing to increase the quota you are paying to Rome for the Italian institute from \$5,400 this year to \$38,400? Are you? Well, I am not. And I am not going to permit it to be done if I can help it. When I remember the veterans of the World War and Spanish-American War, veterans who have been on their backs having been decreased in their allowance as much as 50 percent, in cases, I cannot go home and look them in the face and say, "Boys, I had to vote to decrease you, but I voted to increase the payment to keep up the Italian institute in Rome from \$5,400 to \$38,000." That is what you are going to do. You cannot get away from it. You will have to put your approval in this RECORD today as to whether or not you are in favor of increasing the quota to Italy from \$5,000 to \$38,000, and at the same time decrease the soldier boys who brought victory back from Europe.

Mr. BLOOM. Will the gentleman yield?

Mr. BLANTON. I always yield to the gentleman from New York. He and I are good friends, if I do give him the devil once in a while.

Mr. BLOOM. I should like to have the gentleman listen to this little statement.

Mr. BLANTON. Yes. What are you going to do with this \$48,000, Sol? Tell us exactly what you are going to spend it for. Will you tell me that?

Mr. BLOOM. Yes; if the gentleman will yield. In the first place—

Mr. BLANTON. Five thousand dollars is going to the resident delegate. Five thousand five hundred dollars is going for rent, heat, and light.

Mr. BLOOM. All expenses.

Mr. BLANTON. And then five thousand for the quota. Is that right?

Mr. BLOOM. No; \$5,500.

Mr. BLANTON. How much for the quota?

Mr. BLOOM. Thirty-eight thousand four hundred dollars.

Mr. BLANTON. It is only \$5,400 this year. Are you going to increase it to \$38,000?

Mr. BLOOM. Will the gentleman let me explain it?

Mr. BLANTON. I do not think you can do it, Sol, but I will let you. [Laughter.]

Mr. BLOOM. All right. In 1906, when the quota was originally made, the franc was then worth 20 cents.

Mr. BLANTON. Oh, we know all about the franc.

Mr. BLOOM. No; you do not. Now, today—

Mr. BLANTON. Mr. Chairman, I must use the balance of my 5 minutes.

Mr. BLOOM. I will give the gentleman my time if he will allow me to explain it.

Mr. BLANTON. Very well. That is fair.

Mr. BLOOM. We have between us 10 minutes?

Mr. BLANTON. Yes.

Mr. BLOOM. Now, in 1906, as I said, the franc was worth 20 cents. In the last 4 or 5 years we have been paying at the rate of the franc according to the treaty obligation, on a 4-cent rate, and that is why we have only got—

Mr. BLANTON. I cannot yield further. I am against this bill. We must kill it and save \$48,500 annually.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BLANTON] has expired.

Mr. BLOOM. Mr. Chairman, I rise in opposition to the motion.

Mr. BLANTON. Now, as the gentleman took my time, let me answer his questions.

Mr. BLOOM. We are reversed now. The gentleman from Texas will come here and I will speak.

Mr. BLANTON. Now may I answer that question?

Mr. BLOOM. Yes; certainly.

Mr. BLANTON. Regardless of the fluctuation in the value of the franc, Mr. Carr said that last year, 1932, our quota was \$4,689, and under the present value of the franc for this year, 1933, our quota is \$5,400, which has not yet been paid; and yet the gentleman from New York [Mr. Bloom] says we are just going to increase that \$38,400 as a gratuity to the Italian Government.

Mr. BLOOM. Now, the gentleman from New York will try to answer the gentleman from Texas. We are paying according to the old rate of the franc. Because we have not been participating wholly in this convention, we have continued to take advantage of the treaty obligation at that time. But since that time, since 1906, we have entered into a new contract for the 48 States and the insular possessions, which makes the contribution 192,000 gold francs that we are obligated to pay at the present rate. The present rate on 192,000 gold francs is \$38,400.

Mr. ALLGOOD. Will the gentleman yield?

Mr. BLOOM. In just a second.

We must pay \$38,400.

Now, I should like to call the attention of the gentleman from Texas [Mr. BLANTON] to a telephone message which just reached the committee from Mr. Carr.

If Mr. BLANTON discusses further information received by him from the Department of State about expenditures for the institute, I suggest you request that he read the letter to the House, and any statement that may have accompanied it. In his debate of yesterday he misstated facts that were communicated to him.

That is, Mr. Carr says the gentleman from Texas [Mr. BLANTON] should read all of the statement and not part of the statement.

Mr. BLANTON. I challenge that purported statement from Mr. Carr, and I challenge any Member here to produce such an assertion signed by him. I know that Mr. Carr would not sign such an assertion. Every quotation I made yesterday from his letter was absolutely correct, and I have his letter here to prove it. I challenge him or anyone else to show any misquotation. He cannot do it to save his life.

Mr. BLOOM. I am only reading the message that Mr. Carr sent.

Mr. BLANTON. You have no such statement signed by Mr. Carr. I challenge you to produce such a one over his signature. Here is the letter from Mr. Carr dated May 17, 1933, and if you will compare it with the quotations I made from it yesterday, now in the Record, you will see that I did not misquote him in any particular. He cannot show a single quotation that is incorrect. He cannot do it to save his gizzard. [Laughter.]

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. BLOOM. I yield.

Mr. TABER. If we had a treaty obligation that required us to pay \$38,000 there would be no possible need for legislation such as this.

Mr. BLOOM. I beg the gentleman's pardon. We cannot pay under the treaty without appropriation.

Mr. ALLGOOD. Mr. Chairman, will the gentleman yield?

Mr. BLOOM. I yield.

Mr. ALLGOOD. The gentleman says we agreed to pay in gold. If there has been this much increase we better pay in silver. We would better go on the silver standard.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. BLOOM. I yield.

Mr. BOILEAU. There has been a good deal of talk on the floor about junkets. As I understand from the recent developments in the discussion on the floor, no money is provided for the sending of an American delegate over there.

Mr. BLOOM. I should like for those Members to rise who do not think that \$5,500 includes every expense over there.

Mr. BOILEAU. No money is provided in this bill for the sending of any delegates over there from this country.

Mr. BLOOM. Not at all. Five thousand five hundred dollars pays for the representative and his expenses. That is why the gentleman from Texas withdrew his amendment.

Mr. BLANTON. I withdrew my amendment because I would rather kill the bill than to amend it. Mr. Chairman, will the gentleman yield?

Mr. BLOOM. I yield.

Mr. BLANTON. What do they mean in this report where they made the statement in regard to the spending of this \$68,000 and \$29,000, that it was for the "sending of delegations to the biennial meetings of the general assembly"?

Mr. BLOOM. That does not mean going from this country.

Mr. FISH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FISH. Would it be in order at this time to move to recommit this resolution back to the committee?

The CHAIRMAN. A motion to recommit is not in order in the Committee of the Whole House on the state of the Union. The rule under which the Committee is operating provides for one motion to recommit after the Committee goes back into the House.

Mr. FISH. Is it in order to move to strike out the last word?

The CHAIRMAN. Such a motion is not in order now, because there is pending a motion to strike out the enacting clause.

Mr. BOILEAU. Mr. Chairman, I ask unanimous consent to proceed for 1 minute for the purpose of asking a question of the gentleman from New York.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BOILEAU. I ask the gentleman from New York if it is not a fact that the \$38,000 would be spent for the purpose of carrying out our treaty obligations; and that if we are to comply with our treaty obligations it is necessary to spend the entire \$38,000?

Mr. BLOOM. Not a penny of that amount will be spent for any other purpose than that of carrying out our treaty obligations.

The CHAIRMAN. The question is on the motion of the gentleman from Texas that the Committee do now rise and report the joint resolution back to the House with the recommendation that the enacting clause be stricken out.

The question was taken; and on a division (demanded by Mr. McREYNOLDS) there were—ayes 99, noes 79.

Mr. McREYNOLDS. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. McREYNOLDS and Mr. BLANTON.

The Committee again divided; and the tellers reported that there were—ayes 92, noes 84.

So the motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WOODRUM, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration House Joint Resolution 149, had directed him to report the same back to the House with the recommendation that the enacting clause be stricken out.

The SPEAKER. The question is on the recommendation of the Committee of the Whole House on the state of the Union that the enacting clause be stricken.

Mr. BLANTON. Mr. Speaker, on that I move the previous question.

The previous question was ordered.

Mr. McREYNOLDS. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BLOOM. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BLOOM. To strike out the enacting clause how does a Member vote?

The SPEAKER. Those desiring to strike out the enacting clause will vote "yea"; those opposed to striking out the enacting clause will vote "nay."

The question was taken; and there were—yeas 144, nays 131, answered "present" 1, not voting 154, as follows:

[Roll No. 44]

YEAS—144

Abernethy	Dear	Knutson	Richards
Adair	Deen	Kocialkowski	Rogers, Mass.
Allen	Dies	Lambertson	Rogers, N.H.
Allgood	Dobbins	Lamneck	Rogers, Okla.
Almon	Dockweiler	Lanham	Sanders
Arens	Dondero	Larrabee	Schaefer
Bailey	Dowell	Lehibach	Schuetz
Beam	Duffey	Lehr	Sears
Blanton	Durgan, Ind.	Lemke	Secrest
Boland	Eaton	Lloyd	Seger
Bolton	Elcher	Ludlow	Smith, Wash.
Bulwinkle	Eltse, Calif.	Lundeen	Snell
Burch	Evans	McClintic	Stalker
Burnham	Farley	McDuffie	Strong, Tex.
Busby	Fernandez	McFadden	Stubbs
Cady	Fletcher	McFarlane	Swank
Cannon, Mo.	Fuller	McMillan	Taber
Carpenter, Kans.	Fulmer	Major	Tarver
Carter, Calif.	Gasque	Mapes	Taylor, Tenn.
Carter, Wyo.	Glover	Marshall	Terrell
Cartwright	Goodwin	May	Thom
Caviochia	Green	Meeks	Thomason, Tex.
Chapman	Gregory	Merritt	Thompson, Ill.
Chase	Griswold	Millard	Thurston
Christianson	Hancock, N.Y.	Montet	Traeger
Claborn	Hart	Moran	Turpin
Clarke, N.Y.	Higgins	Mott	Umstead
Cochran, Mo.	Hoepfel	Musselwhite	Utterback
Cochran, Pa.	Holmes	Parker, N.Y.	Vinson, Ky.
Coffin	Hooper	Parsons	Wadsworth
Colmer	Hope	Peterson	Warren
Crosby	Howard	Polk	Weideman
Cross	Jenckes	Powers	Whitley
Culkin	Jenkins	Ramsay	Wigglesworth
Cummings	Johnson, Minn.	Ransley	Wilcox
Darrow	Johnson, Okla.	Reece	Wolcott

NAYS—131

Ayers, Mont.	Dunn	Kopplemann	Rayburn
Beiter	Eagle	Kramer	Reilly
Biermann	Ellzey, Miss.	Kvale	Robertson
Bland	Fiesinger	Lambeth	Robinson
Bloom	Fitzgibbons	Lozier	Romjue
Bolleau	Fitzpatrick	Luce	Ruffin
Boylan	Ford	McCarthy	Sabath
Brennan	Gilchrist	McGrath	Schulte
Brown, Ky.	Goldsborough	McGugin	Scrugham
Brown, Mich.	Gray	McKeown	Shallenberger
Brumm	Greenwood	McReynolds	Shannon
Buchanan	Griffin	Mansfield	Simpson
Buck	Hancock, N.C.	Martin, Colo.	Sinclair
Byrns	Hastings	Martin, Oreg.	Slason
Caldwell	Henney	Mead	Snyder
Carden	Hildebrandt	Mitchell	Spence
Cary	Hill, Ala.	Monaghan	Steagall
Castellow	Hill, Knute	Murdock	Studley
Church	Hill, Samuel B.	Nesbit	Taylor, Colo.
Condon	Hollister	O'Connell	Turner
Connery	Hughes	Oliver, Ala.	Vinson, Ga.
Cooper, Tenn.	Imhoff	Oliver, N.Y.	Wallgren
Cox	Jacobsen	Owen	Wearin
Cravens	Johnson, Tex.	Parks	Weaver
Crosser	Jones	Patman	Welch
Crowe	Kahn	Peavey	Werner
Crump	Kee	Perkins	West, Ohio
Dingell	Keller	Pierce	West, Tex.
Dirksen	Kelly, Ill.	Pou	Whittington
Disney	Kelly, Pa.	Prall	Whitrow
Doxey	Kerr	Ragon	Woodrum
Driver	Kloebe	Ramspeck	Zioncheck
Duncan, Mo.	Kniffin	Rankin	

ANSWERED "PRESENT"—1

Fish

NOT VOTING—154

Adams	Bacharach	Berlin	Browning
Andrew, Mass.	Bacon	Black	Brunner
Andrews, N.Y.	Bakewell	Blanchard	Buckbee
Arnold	Bankhead	Boehne	Burke, Calif.
Auf der Heide	Beck	Britten	Burke, Nebr.
Ayres, Kans.	Beedy	Brooks	Cannon, Wis.

Carley	Gambrill	Lewis, Colo.	Shoemaker
Carpenter, Nebr.	Gavagan	Lewis, Md.	Sirovich
Celler	Gibson	Lindsay	Smith, Va.
Chavez	Gifford	McCormack	Smith, W.Va.
Clark, N.C.	Gillespie	McLean	Somers, N.Y.
Colden	Gillette	McLeod	Stokes
Cole	Goss	McSwain	Strong, Pa.
Collins, Calif.	Granfield	Maloney, Conn.	Sullivan
Collins, Miss.	Guyer	Maloney, La.	Sumners, Tex.
Connolly	Haines	Marland	Sutphin
Cooper, Ohio	Hamilton	Martin, Mass.	Sweeney
Corning	Harlan	Miller	Swick
Crowther	Harter	Milligan	Taylor, S.C.
Cullen	Hartley	Montague	Tinkham
Darden	Healey	Morehead	Tobey
Delaney	Hess	Moynihan	Treadway
De Priest	Hoidale	Muldowney	Truax
DeRouen	Hornor	Norton	Underwood
Dickinson	Huddleston	O'Brien	Waldron
Dickstein	James	O'Connor	Walter
Ditter	Jeffers	O'Malley	Watson
Doughton	Johnson, W.Va.	Palmisano	White
Douglass	Kemp	Parker, Ga.	Willford
Doutrich	Kennedy, Md.	Pettengill	Williams
Drewry	Kennedy, N.Y.	Peyser	Wilson
Edmonds	Kenney	Randolph	Wolfenden
Englebright	Kinzer	Reed, N.Y.	Wolverton
Faddis	Kleberg	Reid, Ill.	Wood, Ga.
Flannagan	Kurtz	Rich	Wood, Mo.
Focht	Lanzetta	Richardson	Woodruff
Foss	Lea, Calif.	Rudd	Young
Foulkes	Lee, Mo.	Sadowski	
Frear	Lesinski	Sandlin	

So the recommendation of the Committee of the Whole House on the state of the Union that the enacting clause be stricken was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Tobey (for) with Mr. Bakewell (against).
 Mr. Edmonds (for) with Mr. Maloney of Connecticut (against).
 Mr. Ditter (for) with Mr. Rudd (against).
 Mr. Rich (for) with Mr. Lesinski (against).
 Mr. Muldowney (for) with Mr. Johnson of West Virginia (against).
 Mr. Connolly (for) with Mr. Adams (against).
 Mr. Bacharach (for) with Mr. Cullen (against).
 Mr. Wolverton (for) with Mr. Kenney (against).
 Mr. Hartley (for) with Mr. Flannagan (against).
 Mr. Wolfenden (for) with Mr. Richardson (against).
 Mr. Doughton (for) with Mr. Sadowski (against).
 Mr. McLean (for) with Mr. Walter (against).
 Mr. Beck (for) with Mr. Delaney (against).
 Mr. Doutrich (for) with Mrs. Norton (against).
 Mr. Waldron (for) with Mr. O'Connor (against).
 Mr. Kinzer (for) with Mr. Corning (against).
 Mr. Swick (for) with Mr. Harlan (against).
 Mr. Goss (for) with Mr. Sandlin (against).
 Mr. Crowther (for) with Mr. Kleberg (against).
 Mr. Treadway (for) with Mr. Bankhead (against).
 Mr. Watson (for) with Mr. McCormack (against).
 Mr. Bacon (for) with Mr. Lindsay (against).
 Mr. Gibson (for) with Mr. Sullivan (against).
 Mr. Hess (for) with Mr. O'Brien (against).
 Mr. Britten (for) with Mr. Morehead (against).
 Mr. Collins of California (for) with Mr. Burke of Nebraska (against).

Until further notice:

Mr. Carley with Mr. Martin of Massachusetts.
 Mr. Auf der Heide with Mr. Andrews of New York.
 Mr. Drewry with Mr. Moynihan.
 Mr. Berlin with Mr. Guyer.
 Mr. Foulkes with Mr. Reed of New York.
 Mr. Brooks with Mr. Stokes.
 Mr. Smith of West Virginia with Mr. Andrew of Massachusetts.
 Mr. Ayres of Kansas with Mr. Cooper of Ohio.
 Mr. Peyser with Mr. Strong of Pennsylvania.
 Mr. Gavagan with Mr. De Priest.
 Mr. Celler with Mr. Focht.
 Mr. Milligan with Mr. Tinkham.
 Mr. Black with Mr. Beedy.
 Mr. Cannon of Wisconsin with Mr. Englebright.
 Mr. Collins of Mississippi with Mr. McLeod.
 Mr. Dickinson with Mr. Kurtz.
 Mr. Douglass with Mr. James.
 Mr. Dickstein with Mr. Willford.
 Mr. Maloney of Louisiana with Mr. Frear.
 Mr. Arnold with Mr. Buckbee.
 Mr. Kemp with Mr. Reid of Illinois.
 Mr. Chavez with Mr. Foss.
 Mr. Boehne with Mr. Shoemaker.
 Mr. DeRouen with Mr. Woodruff.
 Mr. Lewis of Maryland with Mr. Blanchard.
 Mr. Brunner with Mr. Gifford.
 Mr. Carpenter of Nebraska with Mr. Harter.
 Mr. Haines with Mr. Taylor of South Carolina.
 Mr. Wilson with Mr. Miller.
 Mr. Jeffers with Mr. Kennedy of Maryland.
 Mr. Marland with Mr. Hamilton.
 Mr. Lea of California with Mr. Healey.
 Mr. Browning with Mr. Faddis.
 Mr. Clark of North Carolina with Mr. Wood of Missouri.
 Mr. Cole with Mr. Lanzetta.
 Mr. Sirovich with Mr. Darden.
 Mr. Sweeney with Mr. Gillette.

Mr. Granfield with Mr. Kennedy of New York.
 Mr. McSwain with Mr. Hoidale.
 Mr. Horner with Mr. Lewis of Colorado.
 Mr. Huddleston with Mr. Randolph.
 Mr. Gambrill with Mr. Parker of Georgia.
 Mr. O'Malley with Mr. Young.
 Mr. Pettengill with Mr. White.
 Mr. Smith of Virginia with Mr. Burke of California.
 Mr. Sumners of Texas with Mr. Underwood.
 Mr. Sutphin with Mr. Wood of Georgia.

Mr. DOBBINS. Mr. Speaker, my colleague, the gentleman from Illinois [Mr. GILLESPIE], is away from the chamber this afternoon on important business and asked me to announce that if he were present he would vote yea upon this motion.

Mr. BYRNS. Mr. Speaker, the gentleman from Delaware [Mr. ADAMS] is unavoidably absent today on account of important business—

Mr. CANNON of Missouri. Mr. Speaker, I make a point of order—

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to proceed for one half minute.

Mr. BLANTON. Until the vote is announced, I object, Mr. Speaker. I have no objection to the gentleman's being heard, but the vote ought to be announced first.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. BLANTON. I object, Mr. Speaker, until the vote is announced.

Mr. FISH. Regular order, Mr. Speaker.

The result of the vote was announced, as above recorded.

On motion of Mr. BLANTON, a motion to reconsider the vote by which the recommendation of the Committee of the Whole House on the state of the Union was agreed to was laid on the table.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to proceed for one half minute.

Mr. CANNON of Missouri. Mr. Speaker, reserving the right to object, is it for the purpose of announcing how some Member would have voted?

Mr. BYRNS. How some Members would have voted and at their personal request when they are absolutely unable to be present.

Mr. CANNON of Missouri. I very much regret it, Mr. Speaker, but it is contrary to the rules and practices of the House, and, therefore, I am constrained to object.

Mr. BYRNS. Then I want the RECORD to show that I made the request for the gentleman from—

Mr. CANNON of Missouri. I make the point of order, Mr. Speaker, that the gentleman is out of order. The gentleman was not recognized for that purpose and he cannot put that in the RECORD. We should observe the rules of the House.

The SPEAKER. The Chair sustains the point of order.

SECURITIES BILL

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that I may have until 12 o'clock tonight to file a conference report on the securities bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

REGULATION OF BANKING

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 150 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 5661, a bill to provide for the safer and more effective use of the assets of banks, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with

such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. COX. Mr. Speaker, this is simply an open rule for the consideration of the Steagall bank-deposits guaranty bill. I do not know of any request for time, and I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 5661) to provide for the safer and more effective use of the assets of banks, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. CANNON of Missouri in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill which the Clerk will read.

The Clerk read the title of the bill.

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. Under the rule the gentleman from Alabama [Mr. STEAGALL] has 2 hours and the gentleman from Massachusetts [Mr. LUCE] has 2 hours.

Mr. STEAGALL. Mr. Chairman—

Mr. PATMAN. Will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. PATMAN. Those of us who are opposed to some provisions of the bill would like to have some time. I hope the gentleman will allot us at least 1 hour.

Mr. STEAGALL. The rule provides for 4 hours' debate, one half to be controlled by me and one half by the ranking Member on the minority side [Mr. LUCE]. I will do the best I can, but of course there are members of the committee who will want time.

Mr. PATMAN. Does not the gentleman think that the opponents should be allowed time?

Mr. STEAGALL. Oh, yes.

Mr. PATMAN. And will not the gentleman allow us at least an hour?

Mr. STEAGALL. I cannot promise any definite allotment now.

Mr. PATMAN. How about yielding us 45 minutes on each side?

Mr. STEAGALL. There ought not to be any difficulty about the distribution of time. I do not want to be bound by any definite arbitrary agreement. I do not expect to use a great deal of time myself, and I do not know that any member of the committee wants to use much time. I feel sure that the gentleman can be accommodated, and I will endeavor to see that that is done.

Mr. PATMAN. Will the gentleman assure us that he will give us 1 hour of the time?

Mr. STEAGALL. I cannot assure the gentleman of any definite amount of time.

Mr. KELLER. Then the committee has the power and will use all the time.

Mr. STEAGALL. I do not think it will do that. I think we can adjust that.

Mr. KELLER. I want to be for the bill, and strongly for it, but I want an opportunity to debate it.

Mr. STEAGALL. I recognize that everybody is more or less exhausted. I certainly am, and I believe all will agree that we should save as much time as we can in the hope of completing the work of the present session in accordance with the plans contemplated by the leaders of the two Houses.

I am willing to bear my part of the burden in order that we may save the time of the House. It is for this reason that I desire to go forward with the debate on the bank reform bill at this late hour.

Mr. SEGER. Will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. SEGER. Can the gentleman tell us when it is contemplated that the session will adjourn?

Mr. STEAGALL. I will say that it is hoped that we shall be able to finish and adjourn in a few days. I share that view and that hope.

The bill before the House embodies substantially the main provisions of the measure passed in the former session of Congress by the Senate, known as the "Glass bill", and which failed of passage in the House, and the main provisions of the bank-deposit or insurance measure which I had the honor to introduce and which passed the House in the former session of Congress, and which failed of passage in the Senate. A great amount of labor has been expended in connection with those two propositions. The Glass bill, to which I have referred, was the subject of extended hearings in the Senate and exhaustive study and discussion. The measure finally passed that body without serious opposition. It was referred to by the President of the United States during the former session of Congress with approval and commendation. It has been carefully gone over during this session in frequent conferences between Members of the Congress and the administration.

I am sure every Member of the House recognizes the great responsibility that rests at this hour upon every man in a position of financial leadership or who has assumed important official duties with the Government at Washington. I shall not review the distressing experience which the people of the Nation have endured during recent years. These conditions involved every phase of business activity and affected all classes and all sections. Agriculture is prostrate. Industry is crushed. Trade and commerce, both domestic and foreign, have been paralyzed. Bank credit has been destroyed. Confidence has vanished and hope has been deferred until the hearts of the struggling masses are sick. These conditions culminated in the complete collapse of the banking system of the Nation, and the measure of recovery so far attained is by no means satisfactory.

It is useless to censure or to attempt to trace the blame. It is enough to know that neither our financial nor our official leadership furnished the discernment and courage to avert these unhappy developments. In the past, periods of panic and depression have been followed by legislative enactments to safeguard our people against repetition.

The great Federal Reserve Act was enacted as a result of the lessons of experience gathered from conditions that existed in 1907 and prior to that time. Under the Federal Reserve Act we experienced a period of progress and prosperity unparalleled in all our history. Under that act we financed the greatest war in all the tide of time and emerged from that conflict the financial center of the world and the dominating force in the diplomacies of mankind. Under that act credit facilities have been afforded for domestic purposes and also a large measure of the credit requirement for international trade and business.

But we seemed to forget the lessons of experience. We departed from sound banking principles. Our great banking system was diverted from its original purposes into investment activities, and its service devoted to speculation and international high finance. Our financial leaders went on a spree. They cranked up our great financial machine, charged it with high-powered gas, and soared away toward the heavens, forgetting that there would ever be need for a place to land or that a wreck awaited them. Agriculture, commerce, and industry were forgotten. Bank deposits and credit resources were funneled into the speculative centers of the country for investment in stocks operation and in market speculation. Values were lifted to fictitious levels. Call-money rates went soaring, community bankers over the Nation were lured away from normal and legitimate

channels into a maelstrom of untried and destructive activities.

Bankers engaged in extending credits for legitimate purposes, for loans in support of commerce and agriculture and for community service and the development of community life, were urged to abandon this service and place their investments in what were represented to them as sound and liquid securities. A campaign was turned on urging bankers everywhere to take out of their portfolios papers representing the collateral and the character of local citizens and to employ their facilities in investment banking, in speculation, in stock gambling, and in aid of wild and reckless international high finance.

The purpose of the regulatory provisions of this bill is to call back to the service of agriculture and commerce and industry the bank credit and the bank service designed by the framers of the Federal Reserve Act.

The purpose is to strengthen the banking structure, to establish adequate capital requirements, to provide more effective regulation and supervision, to eliminate dangerous and unsound practices, and to confine banks of deposit to legitimate functions and to separate them from affiliates or other organizations which have brought discredit and loss of public confidence. We propose to see to it that hereafter the credit facilities of the Federal Reserve System shall be devoted primarily to the purposes to which that great act was dedicated at the outset.

This bill prohibits an executive officer from borrowing from his own bank and further provides that if he borrows from another bank he must report his loan to the chairman of the board of his own bank.

The bill provides that in the case of national banks the Comptroller of the Currency, and in the case of a State member bank the Federal Reserve agent, when they find an officer of the bank continually violating the law, can certify the fact to the Federal Reserve Board. The Federal Reserve Board can summon such officer or director to show cause why he should not be removed from office. If after reasonable opportunity to be heard has been extended and the Federal Reserve Board finds such officer or director continuing to violate the law or indulging in unsound practices the Board may order his removal from office. Such hearings are to be closed to the press and to the public.

It is provided in the bill that after January 1, 1934, no officer or director of any member bank may be an official of any corporation or partnership which is engaged primarily in the business of selling securities.

After January 1, 1934, no officer or director or employee of any member bank can be an officer, director, or employee of any corporation or partnership which makes loans on stock and bond collateral to anyone other than its own subsidiaries.

The bill prohibits institutions dealing in securities and underwriting securities from accepting deposits.

Another provision of the bill restricts holding companies to the condition that if they vote stock held by them in national banks they must themselves submit to examination and make regular reports of their condition. After 5 years from the date of the passage of the act a holding company may get a permit to vote its stock permanently, but it must have other assets of 12 percent of the aggregate par value of all bank stock held. A holding company must also increase such other assets at the rate of 2 percent per annum until the other assets amount to 25 percent of the aggregate par value of all bank stock held. The shareholders of a holding company are also made liable for the double liability on the bank shares held by them.

Provision is made that 2 years after the passage of the bill member banks shall not have any security affiliates.

The bill provides that after 2 years from the date of its passage stock in a member bank cannot represent any interest in an affiliate. Affiliates of member banks are also made subject to examination.

Provision is made that affiliates of national banks must make not less than three reports a year to the Comptroller

of the Currency; such reports to be published as the bank's own statement.

National-bank examiners are authorized and empowered to examine all affiliates to determine the relation between banks and other affiliates. If within 90 days after the examination a national bank does not put into effect the recommendations of the Comptroller he is authorized to publish the report of the examination.

The bill provides that member State banks must be governed by the same provision as to buying, selling, and holding investment securities as national banks. This section is effective 2 years after the passage of the act.

Provision is made that the minimum capital for national banks shall be \$100,000 with the exception that in towns of less than 6,000 it may be \$50,000. In cities of over 50,000 population the minimum capital must be \$200,000 except in outlying districts where State banks are permitted to operate with \$100,000 capital. No State bank may be a member of the Federal Reserve System unless it has capital equivalent to that required of national banks.

The bill provides that investment in bank premises shall not exceed the capital stock of the bank.

The bill permits the Federal Reserve banks to make advances for 15 days on United States Government securities and for 90 days secured by rediscountable paper. However, if a member bank increases loans on stocks and bonds after warning, all such advances are made immediately due and the member bank is made ineligible to borrow from the Federal Reserve bank for such period as the Federal Reserve Board may prescribe.

The bill places all relationships and transactions of the Federal Reserve banks with foreign banks under the special supervision of the Federal Reserve Board.

Amendment of the Federal Reserve Act is made to provide for supervision by Federal Reserve banks to see whether any member bank is making undue use of its funds for speculative purposes. If such is found to be the case the Federal Reserve bank is empowered to suspend such member bank from the privilege of rediscounting. It also provides that only one member of a group-bank system may participate in reserve bank board nominations.

It is provided that after 1 year from the passage of the act the board of directors of any member bank must consist of not less than 5 directors or more than 25 directors. Every director must own stock in the bank of not less than \$2,000, par value.

The Federal Reserve Board is empowered to fix the percentage of capital and surplus of a member bank which may be loaned on stock and bond collateral. The duty is placed upon the Federal Reserve Board to prevent undue use of bank loans for speculative purposes.

The bill provides an open-market committee consisting of one member from each Federal Reserve district to have charge of the open-market operations of the Federal Reserve banks.

The bill has been reported by unanimous vote of the Committee on Banking and Currency of the House, and it comes before you under a rule representing the unanimous report of the Rules Committee of the House.

There are some differences between the House bill and the provisions of the Senate bill to which I have referred, but in the main they are similar. I will point out these differences, if I have time, both as to the regulatory provisions and the deposit-insurance provisions.

I think it was in 1923 that I first introduced in this House a bill to establish a system for the guaranty of bank deposits. Bills of the same kind and for the same purpose have been introduced by me in subsequent sessions of Congress. The legislation is not radical. It is not experimental. It involves the application of the principle of insurance—the most universally accepted principle known to the business life of the world.

In the Seventy-second Congress the House passed a deposits-insurance bill which I had the honor to introduce. The measure with respect to the insurance of bank deposits now before the House represents the agreed judgment, in

its main aspects, between myself and others who occupy positions of responsibility in connection with banking legislation. The bill is not just as I would have written it. It is not just as any man in either branch of Congress would have written it; but in my judgment it is the best plan for the insurance of bank deposits that has ever yet been submitted.

Mr. MAY. Will the gentleman yield for a question?

Mr. STEAGALL. I yield.

Mr. MAY. I am sure the gentleman wants to give us all the information he can. Being very much lacking in information myself, I should like to ask the gentleman a question.

Mr. STEAGALL. I am going to proceed to discuss the bill, if the gentleman will permit.

Mr. BLANTON. Will the gentleman yield for a question?

Mr. STEAGALL. Yes; I yield.

Mr. BLANTON. Does the gentleman's bill guarantee absolutely and make secure all deposits in banks?

Mr. STEAGALL. I will be glad to discuss that.

Mr. BLANTON. If it does, I am for it; and if it does not, I am not for any make-believe bills any more.

Mr. STEAGALL. I am glad to know the gentleman's interest and his enthusiasm in support of bank-deposit guaranty legislation. The gentleman has been active in connection with efforts to secure such legislation, and has been helpful, and I am sure we shall have his aid in connection with the bill now before us. It will ultimately accomplish results that will be satisfactory to my friend.

Mr. BLANTON. Of course, there never will be any further confidence of the public in banks until their deposits are guaranteed, and they must be guaranteed absolutely.

Mr. STEAGALL. I am in full accord with the gentleman's views and with every purpose he has in mind on that subject. I am putting forth the best efforts of my life to accomplish just what he desires.

The bill creates a corporation to be administered by a board of 5 members, 1 of whom is to be selected by the Federal Reserve Board, 1 of whom will be the Comptroller of the Currency, and 3 of whom will be appointed by the President of the United States and confirmed by the Senate. The corporation will have capital stock made up as follows: \$150,000,000 to be subscribed by the Treasury of the United States. This fund covers the larger part of sums that have been paid into the Treasury by the 12 Federal Reserve banks in lieu of a franchise tax. Approximately \$150,000,000 is to be subscribed by the Federal Reserve banks, the plan requiring that each Federal Reserve bank subscribe for the capital stock of the deposit-insurance corporation in an amount equal to one half of its surplus.

National banks and member banks of the Federal Reserve System are required to subscribe for capital stock equal to one half of 1 percent of their net deposits, to be callable by the deposit-insurance corporation, and State nonmember banks are permitted to participate in the benefits of the corporation upon like conditions and like requirements—subscription to the capital stock of the corporation, equal in amount to not more than one half of 1 percent of their net deposits. In case any State nonmember bank is not permitted under the laws of the State in which it does business to subscribe for capital stock in the corporation, provision is made for the deposit of funds equal to the amount of capital that would be subscribed by a bank having the same amount of deposits, and the deposit is substituted for subscription to capital stock.

The plan provides further that whenever the funds of the corporation are diminished to an amount less than one fourth of 1 percent of the deposits of banks participating in the benefits of the insurance provisions of the bill additional assessments shall be made against all banks so participating to the amount of one quarter of 1 percent of their net deposits.

State nonmember banks are permitted to participate in the benefits of the insurance plan upon certificate of solvency issued by the proper State examining authorities, and subject to examination from time to time by examiners of the deposit-insurance corporation.

Mr. MAY. Will the gentleman yield right there? That is where my inquiry comes in, if it will not affect the gentleman's thought.

Mr. STEAGALL. I will be glad to yield to the gentleman.

Mr. MAY. On page 22 of the bill provision is made for a minimum amount of capital stock for a national bank; and on page 23 there is a provision which defines how a bank applying for membership in the Federal Reserve System may come in. In that provision it provides it must possess paid-up, unimpaired capital sufficient to entitle it to become a national banking association under the provisions of the law.

Mr. STEAGALL. That is correct.

Mr. MAY. Therefore, no bank can become a member of the Federal Reserve System unless it has capital of a minimum of \$50,000.

Mr. STEAGALL. That is quite correct.

Mr. MAY. That being true, may I ask the gentleman if he will state whether or not there is any provision in this bill that will take care of the situation of State banks which exist by the hundred everywhere, of even \$15,000 and \$25,000 capital; whether there is some provision by which they can come in with their present existing capital?

Mr. STEAGALL. The gentleman has followed the bill with care and with intelligence, and I appreciate his interest. I wish to say to the gentleman that the requirement to which he has referred has no reference whatever to the plan for the participation of State nonmember banks in the benefits of the insurance fund. The two propositions are entirely separate and distinct. There is no limitation or requirement as to capital stock of a State nonmember seeking participation in the benefits of the deposit-insurance provision; none whatever.

Mr. MAY. I call the gentleman's attention to the language of subsection (b) of section 5138, which reads:

No applying bank shall be admitted to membership in a Federal Reserve bank unless it possesses a paid-up unimpaired capital sufficient to entitle it to become a national banking association in the place where it is situated under the provisions of the National Bank Act, as amended.

This would prohibit a bank from becoming a member if it did not have a capital of at least \$50,000.

Mr. STEAGALL. That is quite correct.

Mr. MAY. Then, how are the State banks to receive the benefits of this act?

Mr. STEAGALL. The gentleman confuses admission into the Federal Reserve System with admission into participation in the benefits of the insurance corporation that is to be established.

Mr. MAY. In other words, the amount of the capital stock has nothing to do with State banks having their deposits guaranteed if they meet other requirements?

Mr. STEAGALL. As to State banks, let me say this: No State bank under that provision may join the Federal Reserve System unless its unimpaired capital amounts to \$50,000. But any State nonmember bank complying with the requirements which I have attempted to explain is permitted to join the corporation and participate in the benefits of the deposit-insurance fund. The requirement is that a certificate of solvency by State authorities be submitted and examination by the insurance corporation be allowed. In this connection let me say regarding the suggestion that we have discriminated against State nonmember banks, that the greatest difficulty encountered in the progress that has been made toward the passage of this legislation has been on the part of those who think we have been too liberal in permitting State nonmember banks to participate in the system for the reason that more than one half of the initial fund is made up of the earnings of the Federal Reserve banks.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield gladly to the gentleman from Texas.

Mr. BLANTON. I hope we will discriminate against some State banks and against every one of them until they make themselves absolutely safe and secure for the depositing

public. It is the public I am thinking of just now more than of any bank in the United States.

Mr. STEAGALL. I may say to my friend that the purpose of this legislation is to protect the people of the United States in the right to have banks in which their deposits will be safe. They have a right to expect of Congress the establishment and maintenance of a system of banks in the United States where citizens may place their hard earnings with reasonable expectation of being able to get them out again upon demand. [Applause.]

Mr. CARPENTER of Kansas. Mr. Chairman, will the gentleman yield for a question in connection with this matter of the guaranty of deposits?

Mr. STEAGALL. I yield; but I must be brief. I want to yield time to others.

Mr. CARPENTER of Kansas. I am friendly to the guaranty feature, because I believe the depositors should be protected. The objection is often made by bankers that such a system penalizes honest bankers for the acts of dishonest bankers. Will the distinguished chairman of the Committee on Banking and Currency give me an answer which will be a reply to this objection?

Mr. STEAGALL. There are various answers to this objection. Let me say this: I am not going to abuse the bankers. They have their difficulties, like all the rest of us, and all of them are not dishonest. The crooked banker is the exception and not the rule. They have suffered in this depression like the rest of us—at least many of them have—but they are business men. Business is conducted along selfish lines.

The leaders in the banking world in the United States have not only been forgetful and neglectful of their responsibility to the public but they have forgotten their own best interests, and many of them are reaping now in the distress that confronts them the legitimate results of their own folly and short-sightedness.

The same argument which the gentleman suggests filled the air all over this Capitol when the great Federal Reserve Act was in process of preparation. Many bankers then were so short-sighted that they imagined because they belonged to the larger class of bankers they did not need the service of the Federal Reserve banks, and so they objected to being required to join a system imposing burdens which they thought were for the benefit of others. They fought the passage of the Federal Reserve Act even more vigorously than they have opposed the efforts that have been made to pass legislation for the protection of depositors.

But, go among them now and ask if they want the Federal Reserve Act repealed and you will find there is not a man among them who would dare advocate undoing that great achievement in the interest of banking and for the support of legitimate business in the United States.

This bill seeks to establish a mutual insurance system supported and maintained by the banks themselves, in their own interests as well as for the benefit of their depositors.

Every banker applies the principle of insurance in every other line of his activities. He requires insurance at the hands of employees. He insures himself against his own negligence and mistakes. Every banker in the United States who pays a fire insurance premium pays out of his pocket to make good the loss of an insurance company caused by the fiend who burns his home. This bill simply sets up a system of mutual insurance. Bankers should have been first to advocate it, as most of them do advocate it now, because their successful operation depends upon deposits and they must have the confidence of the public to get deposits and before they can be free to employ deposits after they get them.

Mr. CARPENTER of Kansas. I thank the gentleman for his explanation.

Mr. STEAGALL. I am glad to have the gentleman's interruption.

Mr. CARPENTER of Kansas. I merely wanted the answer of the chairman of the great Banking and Currency Committee, the author of this bill, that I might answer telegrams

of my banker friends. I thank the gentleman from Alabama for his explanation.

Mr. STEAGALL. I could give the gentleman from Kansas some good advice about telegrams.

Mr. DINGELL. The gentleman is not from Michigan or he would not be getting that kind of telegrams.

Mr. CARPENTER of Kansas. I am from a State that went through the experience of the guaranty of bank deposits.

Mr. STEAGALL. I beg the gentleman's pardon, but they never went through the kind of a bank guaranty proposition that is now being considered.

Mr. CARPENTER of Kansas. No; I do not think so.

Mr. STEAGALL. No fire insurance company could succeed if all the risk were centered in one community. No bank deposits insurance plan could succeed with one State as a unit with a few weak banks to support it. But the record shows that wherever a State guaranty system has been attempted the results were gratifying so long as it commanded confidence. I should like to give the record of these attempts. I will mention the State of Texas. The law operated 16 years. No depositor lost a dollar. The increase in banks coming into the system was 72 percent and the increase in deposits amounted to 500 percent. Deposits increased from \$38,000,000 in 1910 to \$241,000,000 in 1925. There is a vast difference between what can be accomplished by a small number of banks in one State dependent upon a single crop and what can be successfully accomplished by the banking system of this great Nation that holds the financial leadership of the world in its hands. I desire to trace further the provisions of the bill under consideration.

The corporation is permitted to expand its capital in three times the amount of its capital stock. The plan for paying off deposits in a failed bank is that the corporation sets up a temporary deposit banking institution to take over the deposits and invites every citizen to come in and get his money. The corporation continues the operation of a deposit bank. The new bank serves the community as a deposit bank until plans can be put into effect for the establishment of a regular bank, and if none is established, within 2 years from the date of taking over the institution, the deposit corporation withdraws; the community is saved from the shock of a bank failure, and every citizen has been given an opportunity to withdraw his deposits.

I should like for the gentleman to read the telegrams that have poured into that office since the bank guaranty bill in the former Congress was given consideration. I can show the gentleman hundreds and hundreds of telegrams from bankers opposing bank deposit insurance legislation and go through the same files at a later date and find where the same bankers were urging the passage of such a law as indispensable to the salvation of the country.

Mr. CLAIBORNE. Will the gentleman yield there for a question?

Mr. STEAGALL. In just a moment.

Let me say further that the Reconstruction Finance Corporation which we established a little over a year ago, taking several billion dollars out of the Treasury of the United States, has never had any service to its credit that approaches that which has been rendered in saving communities from the demoralization and distress of bank failures.

That bill itself was a quasi-deposit guaranty scheme, and that is the best excuse that can be offered for the passage of that legislation opening up the Treasury for the use of private business. I invite the gentleman to take telegrams that he has received from bankers and go down to the Corporation and see how many of these bankers who are opposing this legislation have got their arms up to their shoulders in the Treasury of the United States right now in order to keep their doors open.

Mr. CARPENTER of Kansas. I thank the gentleman, and I shall do that.

Mr. STEAGALL. The gentleman will find that many of them who have been opposing this legislation have been able to keep open only because of the aid furnished them through the Reconstruction Finance Corporation.

This cannot go on forever. There is an end to what the Treasury of the United States can do. The funds that have been used by the Reconstruction Finance Corporation, if used from the outset for the protection of deposits in the banks of the United States, would have been worth a thousand times more than the service that has been rendered in other lines.

Mr. McFADDEN. Will the gentleman yield?

Mr. STEAGALL. Yes; I gladly yield.

I want to say just a word further before I forget and pass from it. I do not mean to be understood as favoring Government guaranty of bank deposits. I do not. I have never favored such a plan, but I will say to the membership of the House that the very class of bankers to which attention has been called are at this moment clamoring for the enactment of legislation to require the Treasury of the United States to underwrite the solvency of their banks and the protection of their depositors. I could give further information on this line that I am not entirely free to disclose at the moment. That is what is going on. Bankers should insure their own deposits. They should apply to their deposits the same principles of insurance that they apply to their employees and to their customers and every citizen who offers to pledge his property as security.

Mr. CLAIBORNE. Do the sound, conservative bankers of the country wire the gentleman that they want this insurance—not those fellows who were gambling, but the sound, conservative bankers?

Mr. STEAGALL. Can the gentleman give me a list of them? Many people have come to doubt that we have such banks. Of course, there are many sound banks under safe management. I presume all that opened after the 4th of March are all right.

Mr. CLAIBORNE. I would say that the Chemical National in New York today is a sound, conservative bank that does not want insurance, and whose depositors do not want it, and there are many others.

Mr. STEAGALL. I am not going to discuss individual banks but I want to tell you that the entire banking structure of the United States was dragged down by a few city banks. That is a matter of history.

It was my privilege to sit in a conference at the Treasury on the 5th of March, in which the high lights of the banks of the country were gathered. In that hour of distress there was no serious dissent from the suggestion that we must have insurance of bank deposits before we may expect complete recovery of business in the United States.

I invite the gentleman to come to my office and let me read him some of my files and see how the banks which he has in mind stand now on the proposition of protection of bank deposits. If the bank to which he refers does not favor it, it is different from its neighbors. I am not quite free to disclose all the information I have in this connection.

Mr. McFADDEN. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. McFADDEN. I have been an interested listener in the gentleman's statement, especially with reference to the guaranty of deposits. But there are other features in the bill, particularly in that all-important section of affiliates and further extending the power of the Federal Reserve System in the control of and maintenance of credit exclusively as provided for in this bill.

Mr. STEAGALL. Exclusive in what way?

Mr. McFADDEN. There is a section in the bill which provides that the Federal Reserve System shall control money that is loaned the speculative markets—practically preempts the right to loan for speculative purposes. I know that is for the purpose of curtailing it, but I also recollect that there was authority in the Federal Reserve Act for supervision by the Federal Reserve Board and they yielded to the dictation of the big banks.

Mr. STEAGALL. The regulatory provisions in the bill are designed to cure that. There are multitudinous provisions imposing restrictions and limitations and requiring the Federal Reserve Board to carry out the purpose, and to

require that the facilities of the banks shall be devoted entirely to legitimate purposes.

Mr. WEIDEMAN. Will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. WEIDEMAN. The Chemical National Bank has been mentioned. I want to call attention to the fact that on page 5, section 4, they are asking for the Morris Plan banks, and the Chemical Bank controls the Morris Plan banks.

Mr. STEAGALL. These banks loan in small amounts and upon personal security. They count character in considering collateral. I see no objection to admitting them into the Federal Reserve System. I will say to the gentleman from Pennsylvania that I have not discussed some of the provisions of the bill at length for the reason that I do not wish to take unnecessary time and because of my greater interest in other sections of the measure. There will be ample time under the 5-minute rule to consider every section of the bill.

The business of this country is conducted with bank credits, not by the use of currency. Ninety-five percent of it is done with bank credits. The Banking and Currency Committee reported and the House passed a currency expansion and stabilization measure last year. I had a part in that. I refer to the Goldsborough bill. I favor expansion of the currency within sound limits under constructive control. But we cannot place enough currency in actual circulation to conduct the business of this country that has been supported by the use of bank credits. Bank credits have declined from 1929 to one half what they were at that time. Bank deposits have shrunk in proportion. Three fourths of the currency in circulation or supposed to be in circulation in the United States is in hoarding. Over a billion dollars of it is in hoarding now in postal savings, which cannot be withdrawn except by substitution of liquid paper. It is in practical effect hoarded—

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I cannot yield any more. I am sure the gentleman will appreciate the situation which forces me to decline to yield. We cannot supplant the service rendered by the use of bank credits. We cannot have a normal use of bank credit in the United States until people are willing to put their deposits in banks. Deposits constitute the basis for bank credit, and bankers can never be free to extend credit accommodations for the support of trade and commerce until they are permitted to retire at night without fear of mobs at their doors the next morning demanding cash for their deposits.

The proof is indisputable that bank-deposits guaranty, if conducted in accordance with established rules and principles of insurance, can easily be made effective at a cost easily borne.

Our national banking system is 70 years old this year. The law creating it became effective in 1863, and in the first year of its existence there were 68 national banks chartered. The system has grown in numbers through the years until now there are more than 6,000 national banks in operation.

Let us see what the cost would have been if the National Banking Act, which was first passed 70 years ago, had provided for the insurance of deposits along the lines of the legislation now pending before the Congress. It is simply a question of mathematics. The record shows that the total net losses to depositors in the national banks for the first 45 years of the national banking system amounted in round figures to only about \$45,000,000—about \$750,000 a year. The Comptroller of the Currency testified before the House Banking and Currency Committee that the total net losses to depositors of national banks from the foundation of the system down to 1930 amounted to only \$82,000,000. For each of the 70 years on an average there have been in operation 4,579 national banks, and the aggregate deposits of all the national banks for the average year has amounted to \$5,118,277,000. Thus we see the deposits in national banks have averaged \$1,118,000 per bank a year for the 70-year period.

During these 70 years 2,057 national banks have suspended business—an average of 30 banks a year; the deposits in these closed banks have aggregated \$1,406,336,000 altogether, or an average of \$20,100,000 a year.

The records show that more than 67 percent of the deposits in closed banks for the past 70 years have been converted into cash, and, after paying all expenses of liquidation, have been distributed in dividends to depositors, so that the amount that would have been required to make good all losses to depositors would be less than 33 percent of the total deposits in closed banks.

Figuring the cost at 35 percent, it would have required \$492,218,000 altogether to have made good all the losses of all the depositors in every national bank that has closed its doors since national banks were first created, or an average of \$7,035,000 a year for the 70-year period. Thus the actual cost to the banks of paying all depositors in closed national banks would have averaged fourteen one-hundredths of 1 percent of the average annual deposits of banks.

It may be said that the losses in closed national banks have been much greater on an average in the last few years than during the whole 70-year period of national banking history; and there is support for this argument.

When the Federal Reserve Act was passed in 1913 the measure as passed by the Senate contained a deposit-insurance provision. It was offered by the illustrious John Sharp Williams, of Mississippi.

This provision was stricken out in conference between the House and the Senate.

The chief argument against the provision was that Federal Reserve banks were not to become money-making institutions and would not be prepared to assume the burdens involved in insurance of deposits.

The record shows that contrary to expectations the Federal Reserve banks have made more than \$1,000,000,000 gross profits and over \$500,000,000 net profits.

Let us see what the cost of insurance of all deposits would have been if the Federal Reserve Act had provided for deposit insurance. Since the Federal Reserve Act became effective in 1915 there have been in operation each year an average of 8,102 national banks, and their deposits have averaged \$12,001,700,000 annually, or \$1,481,000 for each member bank. During these 18 years, 1,631 national banks have suspended business, or an average of 90 banks a year, and the deposits of these closed banks have averaged \$66,087,000 a year. The losses in these failed banks, figured at 35 percent of their total deposits, have amounted to \$416,311,000 for the 18-year period, or \$23,128,390 yearly average, or 2,854 per average active national banks a year.

Thus, the cost of insuring the deposits in all national banks during the past 18 years would have amounted to nineteen one-hundredths of 1 percent of the average annual deposits of these banks.

Let us see what the cost would have been in the very worst year in the history of our banking system. During the year 1931 there were 409 national banks closed having deposits at the date of suspension aggregating \$439,171,000. Both the number and the aggregate deposits for the year 1931 were more than double those of any other year in our history. Yet, figuring the losses at 35 percent of the aggregate deposits, the cost of insuring all the deposits in all national banks even in 1931 would have been \$153,710,000, or seven tenths of 1 percent of the deposits of the national banks. Nothing can be more certain than that if the deposits in banks had been adequately protected by insurance the number of failed banks, as well as losses of depositors would have been enormously reduced. But even if the cost of deposit insurance should be as great in the future as it has been during the past 70 years, or during the past 18 years, or even during the terrible record-breaking year of 1932, its cost would not be an expense to the banks but an excellent investment saving for them in enhanced profits many times the cost.

So far I have dealt with the history of the deposit losses in national banks. I think the figures demonstrate that it would not be difficult to establish a satisfactory system of

of insurance of deposits in national banks. I am aware that there is a popular impression that the problem of deposits insurance is much greater in connection with State banks than national banks. Such is not the fact. A much larger number of State banks have been thrown into liquidation, but that does not supply the real test. The comparative difficulties of the problem as it relates to the two systems can only be disclosed by examination of the amount of deposits and a comparison of final losses to depositors. The total amount of deposits in nonmember banks that closed during the 11-year period from 1921 to 1931, inclusive, is less than the total deposits in member banks that failed during that time. In this connection it should be borne in mind that the amount of deposits in nonmember banks during this period was far in excess of average deposits in member banks of the Federal Reserve System.

During the period to which I have referred deposits in member banks amounted to \$753,000,000 and deposits in nonmember banks that failed amounted to \$957,000,000, but in member banks reopened there were only \$119,000,000 of deposits and in nonmember banks reopened there were \$344,000,000 of deposits. So we find that in member banks liquidated there were \$614,000,000 of deposits and in nonmember banks liquidated only \$613,000,000.

State banks have rendered inestimable service in support of the Nation's trade and commerce, and in the promotion of community interests and the development of community life. Any plan established for the insurance of bank deposits should embrace deposits in State banks, regardless of membership in the Federal Reserve System. I heartily agree that they should be encouraged in seeking admission into the System, but we should not resort to coercion or discrimination in order to drive them into the System. The administration of the System should be such as to induce increased membership.

In the figures just presented it is assumed that the number of closed banks would be just as large and the amount of deposits and losses to depositors just as great under a system of bank-deposits insurance as they have been without deposits insurance. Certain it is that if deposits had been protected by insurance the number of failures and the amount of losses would have been enormously diminished.

The argument is urged against insuring bank deposits that it would be a premium on bad banks. Well, certainly the records abundantly prove that the system of noninsurance of bank deposits which we have had in vogue has resulted in unsafe banking, with disastrous consequences both to bankers and the public.

It is bad enough to have bank failures resulting from crookedness or insolvency; it is absolutely inexcusable that solvent banks should fail because of loss of confidence causing runs on banks. Worst of all, bankers are swept into a state of fear which results in a form of hoarding by banks vastly more serious in consequences than that which comes from hoarding by individuals.

It is estimated that banks now have available billions of dollars of collateral for use in extending loans, but the plain fact is that for more than 3 years bankers have given little thought to anything except to keep their banks in liquid condition. Who can blame them? A banker's first duty is to his depositors. Common honesty, as well as every dictate of self-interest, suggests that he give first thought to them. The fear that grips the minds and hearts of bankers, keeping ever before them the nightmare of bank runs, makes it impossible for them to extend the credits that are indispensable to trade and commerce. The same fears seize every investor and business man, great and small, and leave him without the courage to borrow from banks or to invest for increasing employment and enlarging the buying power of the public.

President Roosevelt in his inaugural address spoke the truth when he declared that fear is the underlying cause of our present economic difficulty. We must banish this fear if we are to put an end to the depression. The one indispensable remedy is insurance of bank deposits. Bankers

should be the first to support this great reform—they owe it to their depositors, to their country, and to themselves.

Much has been said of the distress and suffering caused depositors; of citizens and their families thrown out of their homes; of women and children suffering from lack of hospitalization; of loss of savings representing the sacrifice and toil of a lifetime to shelter old age from want—all resulting from bank failures.

I want to say a word for bankers, thousands of whom have gone down in the wreck of these recent years, with fortunes swept away, many of them men of ability and of highest integrity, who, in spite of strict observance of rules of business, tested and accepted as wise during the experience of half a century, have seen institutions representing the pride and ambition of a lifetime wiped out overnight; and worst of all, the love and confidence of their neighbors and friends turned into distrust and censure.

The officers of such an institution are stigmatized by public opinion as criminals, or as reckless incompetents who have brought untold injury and suffering to innocent people.

Bankers insure their homes for the reason that no husband or father can rest contented so long as there is danger of having his home destroyed by fire and his family left without shelter. Any father who has lived through the experiences which I have depicted would a thousand times rather have his family suffer any material loss than to have the son who is to bear his name victimized by the record of a father responsible for the management of a bank that failed with enormous losses to the depositing public of his community.

We may talk about percentage of gold back of our currency, we may discuss technical provisions of legislation touching affiliates, investments, open-market operations, group banking, chain banking, and branch banking. The public does not understand these technical discussions, but from one end of this land to the other the people understand what we mean by guaranty of bank deposits; and they demand of you and me that we provide a banking system worthy of this great Nation and banks in which citizens may place the fruits of their toil and know that a deposit slip in return for their hard earnings will be as safe as a Government bond. [Applause.]

They know that banks cannot serve the public until confidence is restored, until the public is willing to take money now in hiding and return it to the banks as a basis for the expansion of bank credit. This is indispensable to the support of business and the successful financing of the Treasury. It will bring increased earnings, higher incomes, and make it possible to balance the Government's Budget without resort to vicious and vexatious methods of taxation. We must have this great reform, the sooner the better. Now is the time of all times to bring to pass this great achievement. The sooner it comes the quicker we shall begin to move along the way that leads from darkness and despair into the gladsome light of prosperity and happiness. [Applause.]

DIVISION OF TIME

Mr. PATMAN. Mr. Chairman, I thought we would have a little more time for the opposition than 10 minutes each. Three or four of us would like to speak in opposition to certain provisions of the bill. We fortified ourselves to the extent that I appeared before the Committee on Rules asking for a liberal time. The Rules Committee extended the time of general debate to 4 hours. I thought it was with the understanding that we would have a liberal division of that time. Of course the gentleman from Alabama is in charge of the time, and he has necessarily had to take quite a considerable portion of it to explain the bill. Yet we would like to have more time than 10 minutes apiece, I will say to the gentleman. I am particularly anxious that the gentleman from Michigan [Mr. WEIDEMAN] and the gentleman from Illinois [Mr. KELLER] be allowed time in opposition to certain portions of the bill.

6,000 NATIONAL AND 12,000 STATE BANKS

In regard to the guaranty feature of the bill, we have 6,000 national banks in the United States and 12,000 State

banks, twice as many State banks as we have national banks.

This bill proposes to insure deposits of national banks only, and 858 State banks that are members of the Federal Reserve System. If this bill becomes law, those banking institutions, regardless of their solvency or insolvency, automatically become a part of this deposit-guaranty system. All State banks will necessarily not only have to get a certificate of solvency from the banking supervisor of the respective State, but application must be made to this deposit-guaranty committee, an investigation will have to be made as to solvency, and then the board that is appointed by the President will have to pass upon the question as to whether or not the State bank in question will be permitted to come within the terms of this law and have its deposits protected.

STATE BANKS AT DISADVANTAGE

I venture to say that not one third of the State banks of the United States can make the showing that will be necessary to come within the terms of this law. If that be true, instead of helping the depositors of this Nation you are going to cause the closing of four, five, six, or seven thousand State banks in this country. That would be more injurious than it would be helpful.

Mr. SNELL. Will the gentleman yield for a short question?

Mr. PATMAN. Just for a question.

Mr. SNELL. How do the deposits in the 12,000 State banks compare with the deposits in the national banks?

Mr. PATMAN. I do not know how they compare, but the depositor who only has \$100, if that is all the money he has, loses his all in a bank failure just the same as the man who has \$10,000 on deposit.

Mr. SNELL. I am wondering as to the amount of banking business as between the two kinds of institutions.

Mr. PATMAN. I do not know, but I should like permission to insert in the Record the number and deposits of State banks in each State and the number and deposits of national banks in each State.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

NATIONAL BANKS¹ IN THE UNITED STATES

[Amounts in thousands of dollars]

State	Deposits, exclusive of interbank deposits, December 1932	Number of reporting banks, December 1932
New England:		
Maine.....	103,848	43
New Hampshire.....	52,455	53
Vermont.....	47,904	45
Massachusetts.....	971,336	141
Rhode Island.....	34,578	10
Connecticut.....	200,732	58
Middle Atlantic:		
New York.....	3,228,087	496
New Jersey.....	638,935	269
Pennsylvania.....	1,802,537	747
East North Central:		
Ohio.....	512,021	266
Indiana.....	230,404	152
Illinois.....	1,293,626	337
Michigan.....	721,955	102
Wisconsin.....	300,610	127
West North Central:		
Minnesota.....	407,032	229
Iowa.....	138,019	163
Missouri.....	332,416	97
North Dakota.....	46,440	77
South Dakota.....	39,467	72
Nebraska.....	132,229	156
Kansas.....	139,149	219
South Atlantic:		
Delaware.....	14,841	16
Maryland.....	155,791	68
District of Columbia.....	131,673	12
Virginia.....	219,928	139
West Virginia.....	104,184	84
North Carolina.....	42,171	43
South Carolina.....	37,084	21
Georgia.....	150,720	57
Florida.....	126,044	49
East South Central:		
Kentucky.....	138,384	108
Tennessee.....	163,297	81
Alabama.....	112,459	77
Mississippi.....	40,066	25

¹ Member banks only, i.e., exclusive of national banks in Alaska and Hawaii.

STATE BANKS IN THE UNITED STATES—continued

[Amounts in thousands of dollars]

State	Deposits, exclusive of interbank deposits, December 1932	Number of reporting banks, December 1932
West South Central:		
Arkansas.....	43,448	52
Louisiana.....	72,280	29
Oklahoma.....	220,352	233
Texas.....	550,278	483
Mountain:		
Montana.....	54,880	52
Idaho.....	17,541	28
Wyoming.....	24,973	25
Colorado.....	166,963	98
New Mexico.....	20,895	26
Arizona.....	18,621	10
Utah.....	34,980	15
Nevada.....	9,650	7
Pacific:		
Washington.....	180,763	83
Oregon.....	138,264	71
California.....	1,736,945	160
Total.....	16,101,264	6,011

STATE BANKS IN THE UNITED STATES

New England:		
Maine.....	244,571	72
New Hampshire.....	201,006	64
Vermont.....	146,182	55
Massachusetts.....	2,456,754	276
Rhode Island.....	414,253	24
Connecticut.....	879,382	147
Middle Atlantic:		
New York.....	10,349,994	486
New Jersey.....	1,175,989	206
Pennsylvania.....	1,897,135	485
East North Central:		
Ohio.....	1,198,987	536
Indiana.....	272,998	523
Illinois.....	755,415	742
Michigan.....	605,700	441
Wisconsin.....	295,738	654
West North Central:		
Minnesota.....	243,748	565
Iowa.....	240,650	632
Missouri.....	539,771	795
North Dakota.....	16,212	151
South Dakota.....	26,621	168
Nebraska.....	62,867	430
Kansas.....	120,256	625
South Atlantic:		
Delaware.....	115,647	34
Maryland.....	489,523	140
District of Columbia.....	105,239	22
Virginia.....	146,930	239
West Virginia.....	112,534	131
North Carolina.....	146,771	215
South Carolina.....	42,384	110
Georgia.....	71,476	232
Florida.....	44,395	128
East South Central:		
Kentucky.....	154,473	362
Tennessee.....	98,024	283
Alabama.....	44,518	158
Mississippi.....	72,459	202
West South Central:		
Arkansas.....	52,015	220
Louisiana.....	242,105	161
Oklahoma.....	42,762	253
Texas.....	140,906	540
Mountain:		
Montana.....	37,656	95
Idaho.....	30,653	75
Wyoming.....	14,809	46
Colorado.....	37,384	109
New Mexico.....	6,857	22
Arizona.....	25,824	14
Utah.....	54,882	59
Nevada.....	2,868	6
Pacific:		
Washington.....	123,713	170
Oregon.....	35,432	88
California.....	1,004,050	183
Total.....	25,541,418	12,379

Mr. WEIDEMAN. Will the gentleman yield for a question?

Mr. PATMAN. I yield.

Mr. WEIDEMAN. The amount of the deposits in the State banks and in the national banks would not necessarily reflect the hardship it would work upon the people, because probably the State-bank depositors, as a class, are much smaller than the depositors in the tremendous national banks.

Mr. PATMAN. That is what I was saying. The man who only has \$100 would not want to lose that any more than

the man who had \$100,000. State banks having deposits of \$25,000,000,000 will not necessarily be protected, but national banks with \$16,000,000,000 in deposits will be protected, with the people's money used as an insurance premium.

MUTUAL INSURANCE UNDERTAKING

The gentleman from Alabama [Mr. STEAGALL] said this is a mutual insurance undertaking. That is exactly what it is, and instead of the ones who are benefited paying the premium, the Government of the United States is going to pay two thirds of the premium. An endowment fund is being set up which is to be used for the purpose of raising sufficient money annually by speculation, investment, and otherwise from the general public to pay the premium necessary to pay off the depositors in the event a bank is closed by reason of insolvency.

The money is coming from three sources, namely, \$150,000,000 from the Treasury of the United States, \$150,000,000 from the surplus fund of the Federal Reserve banks, which, as a matter of right, should be in the Treasury of the United States today. That money does not belong to the Federal Reserve banks. It belongs to the United States Treasury. It never has belonged to those banks. It never was intended that those banks should get that money. Therefore, of the \$450,000,000 appropriated, \$300,000,000 of it represents the people's money, coming from the Treasury of the United States. The other one third will come from the depositors, one half of 1 percent being assessed against the deposits of the banks.

SURPLUS FUND OF FEDERAL RESERVE BANKS

Now, let me tell you about this surplus fund of the Federal Reserve banks. When those banks were organized, they were not intended as profit-making institutions. It was stated they were going to use the credit of this Nation, and for the purpose of compensating the people for the use of that credit, when they paid their operating expenses and 6-percent dividends on the amount of capital invested by the member banks the remainder would go into the Treasury as a franchise tax. As conclusive evidence, if a member bank should fail or should withdraw from this System, that member bank would only get its capital stock back. It does not get back a part of that surplus, because that surplus does not belong to the member bank. It belongs to the Treasury of the United States.

EVIDENCE OF INTENT

The law provides that in the event a Federal Reserve bank becomes insolvent and it is necessary to liquidate that bank after the expenses of the bank are paid, the surplus goes into the Treasury of the United States. If the theory of the gentleman from Alabama [Mr. STEAGALL] is correct, that surplus should go back to the member banks that subscribed to the capital stock in that particular Federal Reserve bank. It is written into the law from beginning to end, that as to those banks using the credit of our Nation in the manner they are, the excess profits they make shall be paid into the Treasury of the United States. Now you come along in section 3 of this bill and attempt to change the entire policy of our Government in that regard. You attempt to divert from the Treasury of the United States back to the Federal Reserve banks that surplus, when there was written into the law, language that said it should go into the Treasury of the United States. Now you come here and claim you are going to use that money as an insurance premium to insure bank deposits for private banks, and that it is necessary to do it in the interest of the general welfare. Yes; I say it is all right to do it in the interest of the general welfare, but do not restrict it to just 6,000 banks. Give all banks an opportunity to come in, and when this bill is subject to amendment under the 5-minute rule, I expect to offer two amendments in particular.

One is to strike out section 3 which changes the policy of this Government in regard to the excess earnings of the Federal Reserve banks. The next amendment I expect to offer will be an attempt to strike out the language that would permit this board of five members, two of whom are mem-

bers of the Federal Reserve banking system, if you please, to have the right to deny a State bank to come into this System if the supervising authority in the State will make a certificate to the effect that the bank in question, that is making application, is in a solvent condition.

Now, I challenge this committee, if you really want to do something in the interest of the general welfare, and in the interest of all the people, inasmuch as two thirds of the premium is being paid for by the people's money, the act should apply to State banks as well as to national banks.

I wish to read a comparison between the number of State banks and the number of national banks that will benefit. I see the distinguished chairman of the steering committee [Mr. CROSSER] back here. I will name his State. There are 266 national banks and 536 State banks in Ohio.

[Here the gavel fell.]

Mr. STEAGALL. I yield the gentleman from Texas 2 additional minutes.

Mr. PATMAN. In the State of Indiana there are 152 national banks which will be protected under this bill, but 523 State banks will be left out in the cold.

Will they be able to come in? We do not know whether they will or not. They do not have assets that are worth the money they were worth a couple of years ago. Very few banks can make the showing that would be necessary for them to make. If they could not make it they would automatically have to close their doors. So I want to insist, Mr. Chairman, that when this bill comes under the 5-minute rule that we strike out section 3. This section has no relation to any other section of this bill in any way, shape, form, or fashion, but is just a sop to a few big bankers and amounts to a billion-dollar franchise to these few powerful bankers.

Further, I ask that you strike out the provision that would permit this board of five to deny a solvent State bank the right and the opportunity to come within the terms of this insurance law where the people of the United States are paying two thirds of the premium. [Applause.]

[Here the gavel fell.]

Mr. LUCE. Mr. Chairman, it is almost 5 o'clock. Manifestly there is not a quorum present. May I suggest to the Chairman that the Committee rise?

Mr. STEAGALL. That is agreeable to me.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. CANNON of Missouri, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H.R. 5661, had come to no resolution thereon.

UNITED STATES NAVAL ACADEMY

Mr. VINSON of Georgia submitted the following conference report on the bill (S. 753) to confer the degree of bachelor of science upon graduates of the Naval Academy.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mrs. NORTON, for 4 days, on account of important business.

To Mr. LESINSKI, for 4 days, on account of important business.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 57 minutes p.m.), in accordance with its previous order, the House adjourned until Monday, May 22, 1933, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

76. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army,

dated May 13, 1933, submitting a report, together with accompanying papers, on a preliminary examination and survey of Corte Madera Creek, Marin County, Calif., authorized by the River and Harbor Act approved July 3, 1930; to the Committee on Rivers and Harbors.

77. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 15, 1933, submitting a report, together with accompanying papers, on a preliminary examination and survey of North River, Carteret County, N.C., authorized by the River and Harbor Act approved March 3, 1925; to the Committee on Rivers and Harbors.

78. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 15, 1933, submitting a report, together with accompanying papers, on a preliminary examination of channel from North River, via Back Sound, to Lighthouse Bay, N.C., authorized by the River and Harbor Act approved January 21, 1927; to the Committee on Rivers and Harbors.

79. A letter from the Secretary of War, transmitting a draft of a bill entitled "A bill to prevent the loss of the title of the United States to lands in the Territories of Territorial possessions through adverse possession of prescriptions"; to the Committee on the Judiciary.

80. A letter from the Acting Secretary of Commerce, transmitting draft of a bill for the relief of Ward J. Lawton, special disbursing agent, Lighthouse Service, Department of Commerce; to the Committee on Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McKEOWN: A bill (H.R. 5713) to amend Public Law No. 15, Seventy-third Congress, an act to provide for co-operation by the Federal Government with the several States and Territories and the District of Columbia in relieving the hardships and suffering caused by unemployment, and for other purposes, approved May 12, 1933; to the Committee on Banking and Currency.

By Mr. KRAMER: A bill (H.R. 5714) providing for loans or advances by the Reconstruction Finance Corporation, through its proper agency, to public-school districts in southern California for the purpose of rebuilding public buildings, schools, or other municipal buildings which were wholly or partially destroyed as a result of the earthquakes of March 1933, and for other purposes; to the Committee on Banking and Currency.

By Mr. HOWARD (by departmental request): A bill (H.R. 5715) to authorize the change of homestead designations on allotted Indian lands; to the Committee on Indian Affairs.

Also, a bill (H.R. 5716) authorizing the Secretary of the Interior, in behalf of Indians, to use tribal funds in the purchase of allotments of deceased Indians, and for other purposes; to the Committee on Indian Affairs.

By Mr. WHITE (by request): A bill (H.R. 5717) to provide a more stable monetary system by substituting multi-metallism in lieu of monometallism or the single gold standard; to the Committee on Coinage, Weights, and Measures.

By Mr. LEA of California: A bill (H.R. 5718) to authorize the modification of the contract for the construction of the post-office building at Long Beach, Calif.; to the Committee on Public Buildings and Grounds.

By Mr. CANNON of Wisconsin: A bill (H.R. 5719) to extend the National Motor Vehicle Theft Act to all stolen articles transported in interstate commerce; to the Committee on the Judiciary.

By Mr. MARLAND: A bill (H.R. 5720) to preserve and protect the correlative rights of the oil-producing States; to assist them in the proper enforcement of their oil conservation laws; to assure the conservation of crude petroleum and natural gas and to preserve the same as national resources, and to regulate the transportation and sale in interstate and foreign commerce of natural gas, crude petroleum, and the products thereof; to prevent waste in the production, marketing, and use of such natural gas and petroleum;

to invest the Secretary of the Interior with power to carry out this act, and for other purposes; to the Committee on Ways and Means.

By Mr. WOLCOTT: A bill (H.R. 5721) to extend the times for commencing and completing the construction of a bridge across the St. Clair River at or near Port Huron, Mich.; to the Committee on Interstate and Foreign Commerce.

By Mr. DICKINSON: A bill (H.R. 5722) to increase the tax on distilled spirits for nonbeverage purposes; to the Committee on Ways and Means.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Maryland, memorializing Congress to commemorate the one hundred and fiftieth anniversary of the naturalization of Brig. Gen. Thaddeus Kosciuszko; to the Committee on the Post Office and Post Roads.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEAM: A bill (H.R. 5723) for the relief of James S. Kelly; to the Committee on Claims.

Also, a bill (H.R. 5724) for the relief of John Toner; to the Committee on Military Affairs.

Also, a bill (H.R. 5725) for the relief of Robert McGee; to the Committee on Military Affairs.

Also, a bill (H.R. 5726) for the relief of James W. Blair; to the Committee on Claims.

By Mr. BUCKBEE: A bill (H.R. 5727) for the relief of Robert B. Marshall; to the Committee on the Post Office and Post Roads.

By Mr. DINGELL: A bill (H.R. 5728) for the relief of Michael P. Lucas; to the Committee on Military Affairs.

By Mr. GREENWOOD: A bill (H.R. 5729) granting a pension to Orval Hunter; to the Committee on Invalid Pensions.

By Mr. IMHOFF: A bill (H.R. 5730) granting a pension to Viannie M. Walters; to the Committee on Invalid Pensions.

By Mr. KLEBERG: A bill (H.R. 5731) for the relief of Lota Tidwell; to the Committee on Claims.

By Mr. KLOEB: A bill (H.R. 5732) granting a pension to Sarah Anna Jones; to the Committee on Invalid Pensions.

By Mr. LUDLOW: A bill (H.R. 5733) granting a pension to Albert Porteus; to the Committee on Pensions.

By Mr. CHURCH: A bill (H.R. 5734) for the relief of W. T. Patterson; to the Committee on Claims.

By Mrs. ROGERS of Massachusetts: A bill (H.R. 5735) for the relief of James P. Whalen; to the Committee on Claims.

By Mr. SANDLIN: A bill (H.R. 5736) for the relief of Shelby J. Beene, Mrs. Shelby J. Beene, Leroy T. Waller, and Mrs. Leroy T. Waller; to the Committee on Claims.

By Mr. SNYDER: A bill (H.R. 5737) granting a pension to Milton Warner; to the Committee on Invalid Pensions.

Also, a bill (H.R. 5738) granting an increase of pension to Harriet Neiderhiser; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1124. By Mr. COLDEN: Petition of 192 citizens of the city of Los Angeles, Calif., and vicinity, asking that regulations of the Economy Act pertaining to veterans be revised so as to restore to all veterans who were actually disabled in the military or naval service their former benefits, rights, privileges, ratings, schedules, compensation, presumptions, and pensions heretofore enjoyed by them and existent prior to the enactment of said Economy Act; to the Committee on Economy.

1125. By Mr. JOHNSON of Texas: Telegram from Michael S. Hunt, of Waco, Tex., favoring immediate guar-

antee of small depositors in banks of Federal Reserve System; to the Committee on Banking and Currency.

1126. Also, telegram from J. K. Hughes, president Nevrsuch Oil Co., and E. L. Smith, president E. L. Smith Oil Co., of Mexia, Tex., favoring Federal legislation to curb oil production; to the Committee on Interstate and Foreign Commerce.

1127. Also, petition of Henderson, Kidd & Henderson, of Cameron, Tex., opposing provision of Senate bill 1094 denying loans to corporations paying salaries in excess of \$17,500; to the Committee on Banking and Currency.

1128. Also, resolution adopted by the Senate of the State of Texas, favoring expenditure of relief funds upon highways in the State of Texas; to the Committee on Roads.

1129. By Mr. LINDSAY: Petition of Warehousemen's Association of the Port of New York, Inc., New York City, opposing the passage of Senate bill 158; to the Committee on Labor.

1130. Also, petition of Independent Petroleum Association of America, Washington, D.C., favoring the adoption of the oil-control measure presented by Congressman MARLAND; to the Committee on Interstate and Foreign Commerce.

1131. By Mr. LUDLOW: Petition of the Jewish Educational Association of Indianapolis, Ind., requesting the United States to make official protest of the treatment given the Jewish citizens of Germany; to the Committee on Foreign Affairs.

1132. Also, petition of the Beth-El-Zedeck Sisterhood of Indianapolis, Ind., asking the United States Government to make official protest of treatment given Jewish citizens of Germany; to the Committee on Foreign Affairs.

1133. By Mr. McFADDEN: Petition of the Order of Railroad Telegraphers, opposing the Emergency Railroad Transportation Act of 1933 unless amendments proposed by organized railway labor are incorporated therein; to the Committee on Interstate and Foreign Commerce.

1134. Also, three resolutions of the Strawn-Turner Post, No. 1627, Veterans of Foreign Wars of the United States, Seat Pleasant, Md., (1) on silver—the money of the masses, (2) on banking, (3) support of and cooperation with farmers; to the Committee on Banking and Currency.

1135. Also, petition of Edward T. Lee, a citizen of Chicago, Ill., for the abolition of railroad grade crossings; to the Committee on Interstate and Foreign Commerce.

1136. By Mrs. ROGERS of Massachusetts: Petition of Boston City Council of Boston, Mass., favoring a study of the entire matter of veterans' legislation in the hope that such study will bring about a favorable adjustment, to the end that no veteran suffering from a disability incurred in line of duty while in the active military and naval service of the United States shall be called upon to bear a greater sacrifice than other classes of the American public, bearing in mind the hardships and tribulations that they endured during the period of war; to the Committee on World War Veterans' Legislation.

1137. Also, petition of the Boston City Council of Boston, Mass., opposing the transfer of tradesmen from the Philadelphia Navy Yard to the Boston Navy Yard to work on the new destroyer which is now in process of construction; to the Committee on Naval Affairs.

1138. By Mr. RUDD: Petition of Warehousemen's Association of the Port of New York, Inc., New York, opposing the passage of the Black bill, S. 158, and the enactment of any law under which a definite limit of hours of any working day shall be placed; to the Committee on Labor.

1139. By Mr. WIGGLESWORTH: Petition of the mayor and City Council of Quincy, Mass., with reference to a study of the entire matter of veterans' legislation, in the hope that such study will bring about a favorable adjustment, to the end that no veteran suffering from a disability incurred in line of duty while in the active military and naval service of the United States shall be called upon to bear a greater sacrifice than other classes of the American public; to the Committee on World War Veterans' Legislation.

SENATE

MONDAY, MAY 22, 1933

(Legislative day of Monday, May 15, 1933)

The Senate sitting as a court for the trial of articles of impeachment against Harold Louderback, judge of the United States District Court for the Northern District of California, met at 12 o'clock meridian, on the expiration of the recess.

The managers on the part of the House of Representatives appeared in the seats provided for them.

The respondent, Harold Louderback, with his counsel, Walter H. Linforth, Esq., and James M. Hanley, Esq., appeared in the seats assigned to them.

PROCLAMATION

The VICE PRESIDENT. The Sergeant at Arms will proclaim the Senate sitting as a Court of Impeachment in session.

The Sergeant at Arms made the usual proclamation.

THE JOURNAL

The Chief Clerk proceeded to read the proceedings of the Senate sitting as a Court of Impeachment for the calendar day of Saturday, May 20, when, on motion of Mr. ASHURST, and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

ARREST OF WITNESS LEAKE

The VICE PRESIDENT. The Chair lays before the Senate a report from the Sergeant at Arms, which will be read. The Chief Clerk read as follows:

SENATE OF THE UNITED STATES,
OFFICE OF THE SERGEANT AT ARMS,
Washington, D.C., May 20, 1933.

HON. JOHN N. GARNER,

Vice President and President of the Senate,
Washington, D.C.

MY DEAR MR. VICE PRESIDENT: In pursuance of the order of the Senate dated May 17, 1933, commanding me to forthwith arrest and take into custody and bring to the bar of the Senate W. S. Leake, of San Francisco, Calif., I did, acting through my deputy, W. A. Rorer, on May 17, 1933, arrest and take Mr. Leake into custody.

The said W. S. Leake is now in my custody, and I await the further order of the Senate.

The original warrant issued in the case is attached hereto.

Respectfully yours,

CHESLEY W. JURNERY,
Sergeant at Arms.

EXAMINATION OF W. S. LEAKE

Mr. LINFORTH. Mr. W. S. Leake is here, in obedience to the mandate of this honorable body sitting as a Court of Impeachment, and I should like at this time to call him, out of order, as a witness on behalf of the respondent; and we desire merely to supplement the testimony given by him in San Francisco that has already been read into the Record by the other side of this proceedings.

The VICE PRESIDENT. The witness will be called.

W. S. Leake, having been duly sworn, was examined and testified as follows:

Mr. LINFORTH. Shall I proceed, Mr. President?

The VICE PRESIDENT. Counsel will proceed.

By Mr. LINFORTH:

Q. Mr. Leake, where do you reside?—A. San Francisco, Calif.

Q. How long have you resided in San Francisco?—A. Off and on, ever since I was 8 years of age, mostly in San Francisco.

Q. And whereabouts in San Francisco do you live and how long have you lived there?—A. At the Fairmont Hotel ever since it was rebuilt.

Q. In about what year?—A. It was remodeled right after the fire in 1906.

Q. And is that one of the leading family hotels in San Francisco?—A. It is.

Q. Did you continue to live there with your wife until her death?—A. Yes.